

UNITED STATES DISTRICT COURT FOR
THE CENTRAL DISTRICT OF CALIFORNIA

United States ex rel. GNGH2,) Case No. 2:22-cv-05514-SB(PVCx)
)
Plaintiff-Relator,) **Joint Appendix of Evidence**
)
v.)
)
XLD Century LLC and XLD)
GROUP LLC,)
)
Defendants.)
_____)

The parties jointly, by and through their counsel of record, hereby submit
this Joint Appendix of Evidence in connection with the parties' motions for
summary judgment.

/s/ David Abrams

David Abrams, Attorney at Law
Attorney for Plaintiff-Relator
PO Box 3353 Church Street Station
New York, NY 10008
Tel. 212-897-5821
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Dated: April 1, 2024
Delhi, New York

MOON & DORSETT, PC

by: /s/ Dana Moon / DNA

Dana Moon, Esq. (Bar No. 185154)
wk@moondorsett.com
445 S. Figueroa Street, Suite 2900
Los Angeles, CA 90071
Telephone: (213) 380-1526

Dated: April 1, 2024, 2024
Los Angeles, CA

David Abrams hereby attests that by email dated April 1, 2024 Defendants' counsel indicated that she concurred in this document and consents to its filing.

TABLE OF CONTENTS

I. Plaintiff's Exhibits

A. Affirmation of David Abrams

B. Plaintiff's Complaint

C. Defendants' Answer

D. SBA Affirmation

E. Excerpts from Defendants' Deposition (including Defendants' designations)

F. Form 2483-SD (Loan Application) for Defendant XLD Group LLC

G. Form 2483-SD (Loan Application) for Defendant XLD Century LLC

H. Email Correspondence Between Defendants and Umpqua Bank

I. Payoff Statement XLD Group LLC

J. Payoff Statement XLD Century LLC

K. SBA Publication Regarding Processing Fees

L. California Secretary of State Document re: XLD N.A. Real Estate

M. California Secretary of State Document re: Grand Tripod LLC

N. Plaintiff's Request for Admissions

O. Defendant's Response to Plaintiff's Request for Admissions

II. Defendants' Exhibits

1. Minutes re: Original Source

2. Affirmation of Dana Moon

- 1 3. Affirmation of Jiaqi Zhang
- 2 4. [Omitted as Defendants' deposition excerpts have been integrated into
- 3 Exhibit E]
- 4
- 5 5. Plaintiff Amended Response to Interrogatories
- 6 6. China Daily article dated 12/23/14
- 7 7. Real Estate News & Media article dated 12/24/14
- 8 8. Los Angeles Times article dated 12/18/14
- 9
- 10 9. Commercial Property Executive article dated 12/31/14
- 11 10. China Travel News article dated 12/29/14
- 12 11. Los Angeles Business Journal article dated 12/21/14
- 13
- 14 12. Mingtiandi article dated 12/21/14
- 15 13. Daily Breeze article dated 11/21/13
- 16 14. Los Angeles Times article dated 11/22/13
- 17
- 18 15. Cox Castle article dated 12/23/14
- 19 16. Hotel Management Network article dated 12/21/14
- 20 17. Wealth Management article dated 11/26/13
- 21
- 22 18. Business Wire article dated 1/21/15
- 23 19. Commercial Property Executive article dated 1/2/15
- 24 20. Market Screener article dated 11/20/13
- 25
- 26 21. Market Screener article dated 12/17/14

22. Secretary of State Statement of Information for XLD Century, LLC
23. Secretary of State Articles of Organization for XLD Group, LLC
24. Secretary of State Statement of Information for XLD Group, LLC
25. Form SBA Form 2483-SD
26. Information on Defendants' PPP Loan Amount
27. Plaintiff Interrogatory Responses

Exhibit A

UNITED STATES DISTRICT COURT FOR
THE CENTRAL DISTRICT OF CALIFORNIA

United States ex rel. GNGH2 Inc.	)	Case No.: 2:22-cv-05514-SB(PVCx)
Plaintiff,	)	<u>Affirmation of David Abrams in</u>
vs.	)	<u>Support of Motion for Summary</u>
XLD CENTURY LLC and XLD	)	<u>Judgment</u>
GROUP LLC,)	
Defendant(s))	

David Abrams hereby certifies under penalty of perjury that the following is true and correct.

1. I am attorney for the Plaintiff-Relator in this matter. I respectfully submit this affirmation in support of Plaintiff's motion for summary judgment.

2. Exhibit B to the Parties' Joint Appendix of Evidence ("JAE") is a true copy of the Complaint in this matter.

3. Exhibit C to the JAE is true copy of the Defendants' Answer in this matter.

4. Exhibit D to the JAE is a true copy of an Affirmation I received from the United States Small Business Administration ("SBA").

5. Exhibit E to the JAE is a true copy of excerpts from the Defendants' 30(b)(6) deposition.

1 6. Exhibit F to the JAE is a true copy of Exhibit 2 (also referred to as
2 "Z2") to the Defendants' 30(b)(6) deposition. Exhibit F was produced by the
3 Defendants during the course of discovery.
4

5 7. Exhibit G to the JAE is a true copy of Exhibit 3 (also referred to as
6 "Z3") to the Defendants' 30(b)(6) deposition. Exhibit G was produced by the
7 Defendants' lending bank (Umpqua Bank) in response to a third-party subpoena.
8

9 8. Exhibit H to the JAE is a true copy of Exhibit 5 (also referred to as
10 "Z5") to the Defendants' 30(b)(6) deposition. Exhibit H was produced by the
11 Defendants' lending bank in (Umpqua Bank) in response to a third-party subpoena.
12

13 9. Exhibit I to the JAE is a true copy of a document provided by
14 Umpqua Bank in response to a subpoena I served for records concerning the
15 Defendants' PPP loans.
16

17 10. Exhibit J to the JAE is a true copy of a document provided by
18 Umpqua Bank in response to a subpoena I served for records concerning the
19 Defendants' PPP loans.
20

21 11. Exhibit K to the JAE is a true copy of a document I downloaded from
22 the SBA website.
23

24 12. Exhibit L to the JAE is a true copy of an excerpt from certified
25 documents I obtained from the California Secretary of State.
26

1 13. Exhibit M to the JAE is a true copy of excerpts from certified
2 documents I obtained from the California Secretary of State.


3 14. Exhibit N to the JAE is a true copy of a Request for Admissions
4 ("RFA") which I served on Defendants.
5

6 15. Exhibit O to the JAE is a true copy of Defendants' response to said
7 RFA.
8

9 16. I am planning to take the deposition of the lending bank in this matter,
10 i.e. the entity that processed the Defendants' second-draw PPP loan applications.
11 The deposition is currently scheduled to take place on March 19, 2024.

12 17. I expect that deposition to provide further confirmation that there is a
13 direct link of causation and materiality between (1) the Defendants' certifications
14 on the application forms; and (2) the payment and receipt of the disaster relief at
15 issue in this matter.
16
17

18
19 I certify under penalty of perjury that the foregoing is true and correct.
20 Executed on March 11, 2024
21

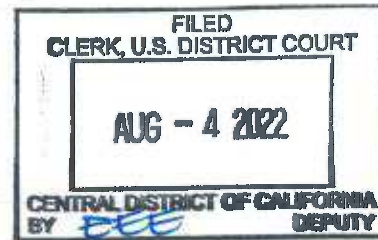
22 

23 _____
24 David Abrams
25
26

Exhibit B

Yael Lerman, Esq. (California Bar # 281311)
ylmazar@gmail.com
6505 Wilshire Boulevard
Los Angeles CA 90048
Tel. 310-836-6140

FEE PAID



UNITED STATES DISTRICT COURT FOR
THE CENTRAL DISTRICT OF CALIFORNIA

2:22-CV-05514-SB(PVCx)

United States ex rel. GNGH2 Inc.

Plaintiff,

vs.

XLD CENTURY LLC and XLD
GROUP LLC,

Defendant(s)

Case No.: _____

COMPLAINT UNDER THE FALSE
CLAIMS ACT

Plaintiff-Relator, complaining of the Defendants by its attorney respectfully sets forth and
alleges as follows:

I. Nature of the Case

1. This is a false claims act claim. The Qui Tam Plaintiff and Relator, GNGH2 Inc. ("Relator"), alleges that the Defendant fraudulently obtained CARES Act disaster relief by means of fraudulent certifications of eligibility. As set forth in more detail below, second-round PPP funding is barred to entities which are owned or directed by companies out of the People's Republic of China including the Special Administrative Region of Hong Kong.

II. Parties

2. Defendant XLD CENTURY LLC ("XLD CENTURY") is a California limited liability company with primary place of business in Los Angeles, California. XLD CENTURY operates the LAX Marriott hotel.

3. Defendant XLD GROUP LLC ("XLD GROUP") is a California limited liability company with a primary place of business in Torrance, California. XLD GROUP operates the Torrance Marriott hotel.

4. The Relator, GNGH2 Inc. ("Relator" or "Plaintiff") is a New Jersey corporation with a principle office in the State of New Jersey, County of Bergen.

III Compliance with Requirements of Suit

5. This matter will be filed under seal pursuant to 31 U.S.C. Section 3730(b) and at or about the same time, a copy of the Complaint, any Sealing Order, and Relator's disclosure of evidence will be served on the Department of Justice and the United States Attorney for the District in which this matter has been filed.

6. Relator will not serve the Complaint or any other papers in this matter until and unless it becomes unsealed. Thus, if the Complaint is served on the Defendant, it means that the matter has been duly unsealed.

IV. Jurisdiction and Venue

7. This Court has jurisdiction pursuant to 31 U.S.C. Section 3732(a) which provides that this type of action may be brought in any district where any Defendant resides or transacts business. In this case, the Defendants operate hotels in this district.

V. Background

8. Throughout most of 2020 and continuing into 2021, the United States was faced with a large scale outbreak of the virus commonly known as "Coronavirus" and "COVID-19." (the "Coronavirus Epidemic").

9. In addition to the Coronavirus Epidemic itself, the United States was faced with large scale outbreaks of panic and hysteria as a result of the Coronavirus Epidemic.

10. All of the above has resulted in major economic disruption and as a result Congress enacted the Coronavirus Aid, Relief, and Economic Security Act, commonly known as the "CARES Act."

11. The CARES Act contains a provision which permitted qualifying business which were affected by the foregoing disruption to obtain forgivable disaster loans.

12. The CARES Act was subsequently amended to provide for a second round of disaster funding. Significantly, an applicant is ineligible for such funding if is directed or owned out of either the Peoples' Republic of China or the Special Administrative Region of Hong Kong.

13. The Defendants in this matter both operate hotels. They received second round disaster relief as follows:

Name	Date	Loan Number	Amount	Forgiven
XLD Century	3/30/2021	2613428708	\$2,000,000	12/15/2021
XLD Group	5/18/2021	2870209001	\$2,000,000	1/6/2022

14. Thus, on or about the above dates, Defendants completed Form 2483-SD which required them to certify as follows:

The Applicant is not a business concern or entity (a) for which an entity created in or organized under the laws of the People's Republic of China or the Special Administrative

1 Region of Hong Kong, or that has significant operations in the People's Republic of
2 China or the Special Administrative Region of Hong Kong, owns or holds, directly or
3 indirectly, not less than 20 percent of the economic interest of the business concern or
4 entity, including as equity shares or a capital or profit interest in a limited liability
5 company or partnership; or (b) that retains, as a member of the board of directors of the
6 business concern, a person who is a resident of the People's Republic of China
7

8 15. This certification was false when made as set forth below.

9 16. At all times relevant to this matter, the Defendants were wholly owned subsidiaries of
10 Sichuan Xinglida Group Enterprises which is a PRC real estate investment company based in
11 Sichuan, People's Republic of China.

12 17. Thus, Defendants made a fraudulent representation when they completed form 2483-SD.

13 18. As a result of these statements, the Defendants received substantial funds to which they
14 would not otherwise have been entitled.
15

16 **VI. (Count I) Violation of the False Claims Act**

17 19. The False Claims Act imposes liability on a person or entity who " knowingly makes,
18 uses, or causes to be made or used, a false record or statement material to a false or fraudulent
19 claim" 31 U.S.C. Section 3729(a)(1)(B)

20 20. The Courts have held that this can include false statements regarding eligibility to
21 participate in a program. See *United States ex rel. Kirk v. Schindler Elevator Corp.*, 601 F.3d
22 94, 116 (2d Cir. 2010), rev'd on other grounds, 131 S.Ct. 1885 (2011) ("[C]laims may be false
23 even though the services are provided as claimed if, for example, the claimant is ineligible to
24 participate in the program.")
25
26

21. Thus, the Defendant's certifications of eligibility violated the False Claims Act because they were false and required for eligibility for disaster relief.

VII. Relief Sought

22. On behalf of the government, Relator is seeking judgment for triple damages and civil penalties set forth in 31 U.S.C. Section 3729.

24. The Defendants received \$4,000,000 in disaster relief as a result of the certifications set forth above.

25. Accordingly, Relator seeks judgment in the amount of \$12,000,000 against the Defendant and in favor of the United States, together with costs, interest, civil penalties, an appropriate qui tam award, and such other and further relief as the Court deems just.

Respectfully submitted,



Yael Lerman, Attorney for Relator
GNGH2 Inc.

6505 Wilshire Boulevard
Los Angeles CA 90048
Tel. 310-836-6140

Dated: Los Angeles, CA
August 3, 2022



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Exhibit C

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Attorneys for Defendants
XLD CENTURY LLC; XLD GROUP LLC

UNITED STATES DISTRICT COURT

FOR THE CENTRAL DISTRICT OF CALIFORNIA

United States ex rel. GNGH2 Inc.,	)	Case No.: 2-22-CV-05514-SB-PVC
)	
Plaintiff,	)	ANSWER OF DEFENDANTS XLD
	)	CENTURY LLC AND XLD GROUP
vs.	)	LLC TO RELATOR GNGH2 INC.'S
	)	COMPLAINT UNDER THE FALSE
	)	CLAIMS ACT
XLD CENTURY LLC and XLD)	
GROUP LLC,)	
	)	Complaint filed: August 4, 2022
Defendants.)	

Defendants XLD CENTURY LLC; XLD GROUP LLC (collectively
“Defendants”) hereby answer the complaint (“Complaint”) filed by Relator
GNGH2 Inc. (“Relator”) as follows:

1. Defendants admit the allegations in Paragraphs 2, 3, 7, 8, 11, 13, 16,
19 of the Complaint.

2. Answering Paragraphs 4, 5, 6 of the Complaint, Defendants are
without sufficient knowledge or information to form a belief as to truthfulness.

3. Defendants generally admit the allegation in Paragraphs 9 and 10 of
the Complaint, but are without sufficient knowledge or information to form a belief
as to truthfulness of “large scale outbreaks of panic and hysteria.”

4. Defendants deny the allegation in Paragraph 14 in that it quotes an inaccurate version of the Form 2483-SD, wherein Complaint replaces each comma with a period after the word “Hong Kong.”

5. Defendants deny the allegations contained in Paragraphs 15, 17, 18, and 21 of the Complaint.

6. Paragraphs 1, 12, 20, 22, 24, 25 are legal conclusions and argument to which no answer is required. To the extent that any answer is required, Defendants deny such legal conclusions and argument.

AFFIRMATIVE DEFENSES

(Public Disclosure)

Relator’s allegations are based on information that is publicly available via inter alia the news media, namely that Defendants are subsidiaries of a Chinese company and that Defendants own certain Marriott hotels operated by Marriott Management. The government therefore has enough information to investigate the case since the information alleged are already in the public domain.

Relator has not provided any missing link between the public information and the alleged fraud and is not the original source of the information.

PRAYER FOR RELIEF

WHEREFORE, having responded to Relator’s Complaint and having stated their affirmative defenses, Defendants pray that:

1. Judgment be entered against Relator and in favor of Defendants and that Relator takes nothing by its Complaint;

2. Defendants be awarded their costs of suit incurred in defense of this action; and

3. The Court award Defendants such other relief as the Court deems “just and proper.”

Dated: October 5, 2023

MOON & DORSETT, PC

By: /s/

Dana Moon Esq.

Attorneys for Defendants

PROOF OF SERVICE OF DOCUMENT

I am over the age 18 and not a party to this case. My business address is 445 South Figueroa St., Suite 2900, Los Angeles, CA 90071.

A true and correct copy of the foregoing document entitled: **ANSWER OF DEFENDANTS XLD CENTURY LLC AND XLD GROUP LLC TO RELATOR GNGH2 INC'S COMPLAINT UNDER THE FALSE CLAIMS ACT** will be served or was served in the manner stated below.

TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LR, the foregoing document will be served by the court via NEF and hyperlink to the document. On October 5, 2023, I checked the CM/ECF docket for this case and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

Yael Lerman on behalf of Plaintiff GNGH2 INC.:

yaell@standwithus.com

David N. Abrams on behalf of Plaintiff GNGH2 INC.:

dnabrams@wjlf.org; dnabrams@gmail.com

Dana Moon on behalf of Defendants XLD CENTURY LLC; XLD GROUP LLC: wk@moondorsett.com

I certify under penalty of perjury, under the laws of the State of California and the United States that the foregoing is true and correct.

Executed on October 5, 2023, at Los Angeles, California.



Wendy Kim, Declarant

Exhibit D

UNITED STATES DISTRICT COURT FOR
THE CENTRAL DISTRICT OF CALIFORNIA

United States ex rel. GNGH2 Inc.	)	Case No.: 2:22-cv-05514-SB(PVCx)
)	
Plaintiff,	)	<u>Affirmation</u>
)	
vs.)	
XLD CENTURY LLC and XLD)	
GROUP LLC,)	
)	
Defendant(s))	

I, Marrtin Andrews, hereby certify under penalty of perjury that the following is true and correct.

1. I hold the position of Deputy Director, Office of Financial Program Operations (“OFPO”), in the Office of Capital Access of the Small Business Administration (“SBA”) and I am familiar with the operation of the Paycheck Protection Program.

2. Second-draw Paycheck Protection Program (“PPP”) loans were made under a temporary COVID-19 relief program which consisted of forgivable loans made by participating lenders and guaranteed by SBA.

3. Applicants applied for a second-draw PPP loan through a participating lender, and if the second-draw loan were approved, the lender would disburse funds to the borrower. If the second-draw loan were ultimately forgiven, then the SBA would remit a payment of the principal amount of the second-draw loan and accrued interest to the lender for credit to the respective loan.

1 4. Additionally, as set forth in the Economic Aid to Hard-Hit Small Businesses,
2 Nonprofits, and Venues Act (Pub. L. 116-260), SBA paid a processing fee to the participating
3 lender for each second-draw PPP loan fully disbursed by the lender. In the case of a second-
4 draw PPP loan of \$2,000,000, the processing fees would be 3% or \$60,000.

5 5. Further, pursuant to SBA program rules, borrowers for second-draw PPP loans
6 were required to sign and complete either SBA Form 2483-SD, or a lender's equivalent form,
7 and provide supporting documentation.

8 6. SBA Form 2483-SD, or a lender's equivalent form, contained a number of
9 required certifications, including a certification which stated as follows:
10

11 The Applicant is not a business concern or entity (a) for which an entity created in or
12 organized under the laws of the People's Republic of China or the Special Administrative
13 Region of Hong Kong, or that has significant operations in the People's Republic of
14 China or the Special Administrative Region of Hong Kong, owns or holds, directly or
15 indirectly, not less than 20 percent of the economic interest of the business concern or
16 entity, including as equity shares or a capital or profit interest in a limited liability
17 company or partnership; or (b) that retains, as a member of the board of directors of the
18 business concern, a person who is a resident of the People's Republic of China.

19 (the "PRC Certification").

20 7. SBA Form 2483-SD indicates that each of these certifications, including the PRC
21 Certification, must be initialed by an authorized representative of the borrower.
22

23 **[continued on next page]**
24
25
26

1 8. An applicant that could not or would not make this certification would not be
2 eligible to receive a second-draw PPP loan.

3 I certify under penalty of perjury that the foregoing is true and correct.

4 Executed on December 7, 2023

5 **MARTIN** Digitally signed by
6 MARTIN ANDREWS
7 **ANDREWS** Date: 2023.12.07
 18:40:59 -05'00'

Exhibit E

JIAQI ZHANG

1 JIAQI ZHANG,
2 having first been duly sworn, was
3 examined and testified as follows:

4
5 **EXAMINATION**

6 BY MR. ABRAMS:

7 Q. Okay. Ma'am, can you please state and spell
8 your full name for the record?

9 A. My name is Jiaqi Zhang. First name is
10 J-i-a-q-i, and last name is Z-h-a-n-g.

11 Q. Okay.

12 (Short pause taken.)

13 BY MR. ABRAMS:

14 Q. Ma'am, can you just repeat your name again, I
15 didn't quite get that?

16 A. My name is Jiaqi Zhang, and first name is
17 J-i-a-q-i and last name is spelled Z-h-a-n-g.

18 Q. Your last name is pronounced Zhang?

19 A. Yeah, that's right, Zhang.

20 Q. Zhang, I apologize, okay. 'Cause to me it
21 looks like it ought to be pronounced like Zhang, but
22 that's incorrect, right? Okay, I'm going --

23 A. That's fine.

24 Q. -- to probably not get it right.

25 And can you please tell me -- state your

JIAQI ZHANG

1 question, and you're answering to the best of your
2 ability. Do you understand that?

3 A. Yes.

4 Q. Okay. Now, hold on one second, something
5 just popped up on my computer. I'm going to try to
6 turn it off. I know what just happened.

7 So, ma'am, are you under the influence of any
8 drugs, alcohol or medication which would affect your
9 ability to testify truthfully today?

10 A. No.

11 Q. Okay. And for the record, since this is a
12 30(b)(6) deposition, you're here on behalf of both
13 defendants; is that right?

14 A. Yes.

15 Q. Okay. So you're here on XLD Century and XLD
16 Group LLC; is that right?

17 A. That's correct.

18 Q. Okay. Fine. And what are your current
19 positions with those entities?

20 A. I'm the vice-president of XLD Group LLC, and
21 also the vice-president of XLD Century LLC.

22 Q. Okay. Are there any other vice-presidents?

23 A. Yeah, there's another one.

24 Q. And who's that?

25 A. It's Joey Zhang.

JIAQI ZHANG

1 A. I started my job in XLD N.A. Real Estate
2 Development was in 2013, so since then, yeah.

3 Q. Okay. Well, there's XLD N.A. Real Estate
4 Development, I take it that's a company that's
5 affiliated in some way with XLD Group and XLD
6 Century?

7 A. Yes.

8 Q. Okay. What's the connection?

9 A. The XLD N.A. Real Estate states own 95
10 percent of XLD Group.

11 Q. Okay. And are you still -- do you still work
12 directly for XLD Real Estate?

13 A. Yes.

14 Q. Okay. And what's your position with that
15 entity?

16 A. Vice-president.

17 Q. Okay. Are there any other XLD entities, XLD
18 affiliated entities that you have a position with?

19 A. As the secretary -- well, I guess that's -- I
20 guess -- well, I don't remember, like, all my names
21 on, like, all the papers, but, yeah.

22 Q. I see. Okay. So, in other words, you're
23 saying that there may be other entities that are
24 related to these XLD entities that you a secretary or
25 you have some other office with, is that what you're

JIAQI ZHANG

1 saying?

2 A. Yes.

3 Q. But you're not a 100 percent sure?

4 A. Not a 100 percent sure.

5 Q. Okay. Well, hold on a second.

6 Well, is it true that there's -- that there's
7 sort of a parent company in the People's Republic of
8 China that owns all of these XLD entities?

9 A. There's a parent company in China that owns
10 XLD -- that owns XLD N.A. Real Estate Development.

11 Q. Okay. And it owns a 100 percent of it?

12 A. It owns a 100 percent of it.

13 Q. Okay. And the parent company in China, is
14 that Sichuan Singlida?

15 A. Yes.

16 Q. Is that of what it's called?

17 A. Yes.

18 Q. Okay. And that's -- that company, where is
19 it located in China?

20 A. China, Sichuan.

21 Q. Okay. So -- and so Sichuan, that's a
22 province in the People's Republic of China?

23 A. Yes.

24 Q. Okay. And just for clarity, I guess when --
25 from now on when I say China, I mean People's

JIAQI ZHANG

1 Republic of China, okay?

2 A. Yeah.

3 Q. Okay. And I apologize for that, I'm a little
4 old as you can see, and in my day, you know, we
5 talked about there was like China sometimes meant
6 Taiwan, so I just want to be clear that we're talking
7 about the People's Republic of China, okay?

8 A. Yeah.

9 Q. Okay. So let's see if I understand this. So
10 this Sichuan Singlida -- let me -- Sichuan Singlida
11 sometimes referred to as XLD Group, correct?

12 A. Well, we have, like, a lot of, like,
13 different entities, and we call it just Sichuan
14 Singlida.

15 Q. You call what? Say that again.

16 A. Sichuan Singlida. So the -- basically the
17 Sichuan XLD Singlida.

18 Q. Okay. And then the second word is Singlida;
19 is that right?

20 A. Yes.

21 Q. Okay. And that's spelled?

22 A. S-i-n-g-l-i-d-a.

23 Q. Okay. So let's see if I understand this. So
24 Sichuan Singlida is a company in China, correct?

25 A. Yes.

JIAQI ZHANG

1 Q. And it owns XLD North America Real Estate,
2 correct?

3 A. It owns XLD U.S. Top LLC.

4 Q. Okay. And XLD U.S. Top LLC owns XLD N.A.
5 Real Estate; is that right?

6 A. Yes.

7 Q. And XLD N.A. Real Estate owns XLD Group LLC
8 and XLD Century LLC; is that right?

9 A. XLD Group N.A. Real Estate owns XLD Group
10 LLC.

11 Q. Okay. 100 percent?

12 A. No, 95.

13 Q. 95. And what about XLD Century, who owns
14 that?

15 A. It's a different -- XLD Century owned by XLD
16 Investment, Inc.

17 Q. Okay. And is that a 100 percent?

18 A. It's -- XLD Century, it's 100 percent owned
19 by XLD Investment.

20 Q. Okay. Are you looking at something? Are you
21 looking at --

22 A. No, I'm trying to think. We have like
23 different shareholders, I'm trying to think which
24 layer, like, they joined and what time. XLD
25 Investment is not 100 percent owned XLD Century, it's

JIAQI ZHANG

1 like 89 percent, 80 some percent.

2 Q. Okay. And who owns -- I'm getting very
3 confused here, so let me just -- hold on a second,
4 okay?

5 A. Sure.

6 Q. Just give me a second.

7 Okay. So -- well, let me ask you this:
8 Maybe we can kind of, you know, cut -- shortcircuit
9 this a little bit.

10 Is it fair to say that the China entity, the
11 PRC entity Sichuan Singlida is ultimately the
12 majority owner of both of XLD Group LLC and XLD
13 Century LLC?

14 A. It is the parent company, like owns both XLD
15 Group.

16 Q. And XLD Century?

17 A. And XLD Century.

18 Q. Okay. It's the parent company, but it
19 doesn't -- its ultimate percentage isn't quite a 100
20 percent, right?

21 A. It does not own it directly, but it is like
22 ultimate the parent company.

23 Q. Okay. But what I want to know is this, like
24 I want to know its ultimate percentage is. Do you
25 know what I'm asking or do you want me to explain?

JIAQI ZHANG

1 A. Can you rephrase more?

2 Q. Yeah, sure. So like, for example, let's
3 suppose company A owns 50 percent of company B, and
4 then company owns 50 percent of company C, right,
5 then you would say company A ultimately owns a
6 quarter of company C. Do you understand?

7 A. Well, I think ultimately it's just like the
8 parent company is just -- it doesn't like directly
9 own, but it owns majority of the shares.

10 Q. All right. Well, let's -- you know what, I
11 guess we better go through this then, okay, just to
12 make sure I understand, I apologize.

13 So let's start again with XLD Group LLC.
14 Okay, so what entity owns the majority of XLD Group
15 LLC?

16 A. XLD Group N.A. Real Estate Development.

17 Q. Okay. And what's the percentage?

18 A. That's 95 percent.

19 Q. Okay. And what entity owns the majority of
20 XLD Group N.A. Real Estate Development, Inc.?

21 A. That's the XLD Top LLC.

22 Q. And what's that percentage?

23 A. That's 100 percent.

24 Q. Okay. And what entity owns XLD Group Top?

25 A. That's -- that's Sichuan -- that's the

JIAQI ZHANG

1 Sichuan Singlida group. I don't remember the full
2 name.

3 Q. Okay. That's the PRC entity we've been
4 talking about, though, right?

5 A. Yeah, yeah.

6 Q. And what's that percentage?

7 A. I think that's -- I'm not sure, but I think
8 it's, like, 80 percent, like 100 percent.

9 Q. Okay. So 80 to a 100 percent; is that right?

10 A. Yeah, yes.

11 Q. Okay. So let's see if I understand this. So
12 you say the PRC entities Sichuan Singlida owns 80 to
13 100 percent of XLD Top which in turn owns a 100
14 percent of XLD Group N.A. Real Estate which in turn
15 owns 95 percent of XLD Group LLC; is that right?

16 A. XLD U.S. Top.

17 Q. XLD U.S. Top?

18 A. In Canada. Yeah, XLD Group N.A. then owns
19 XLD Group.

20 Q. Okay. But besides my mistake in identifying,
21 what I just said is correct, right?

22 A. Yes.

23 Q. Okay. So that's fine. All right. So --and
24 let me ask you this: You know, we're talking about
25 how things are currently. Is that how things have

JIAQI ZHANG

1 been for the last ten years?

2 A. Sorry, can you repeat again?

3 Q. I said like -- I was asking you about the
4 ownership right now as we sit here today on December
5 1st, 2023, and I wanted to know is that what the
6 ownership relationships and percentages have been in
7 the past?

8 A. Well, we'd have to -- we'd have to look up,
9 like, our documents 'cause there's, like,
10 shareholders join in the changing, so might be
11 slightly different.

12 Q. I'm sorry.

13 A. Might be slightly different, I'm not sure
14 'cause I have to look it up.

15 Q. Oh, it might be slightly different, but it's
16 not very different; is that right?

17 A. Yeah, majority will be the same.

18 Q. Oh. So -- okay. And it's been like that for
19 the last five or ten years?

20 A. Yes.

21 Q. Okay. Okay. The entire time that you've
22 been working for XLD, for any XLD entity?

23 A. Yes.

24 Q. Okay. And you were aware of these ownership
25 relationships the whole time, even if you weren't

JIAQI ZHANG

1 aware of the exact percentages; is that right?

2 A. Yes.

3 Q. Okay. So now let's talk about XLD Century.

4 So what entity owns that?

5 A. XLD Investment, Inc.

6 Q. All right. And what's that percentage?

7 A. I think 80 some percentage.

8 Q. Okay. Okay. And who owns that?

9 A. It's U.S. Top LLC owns XLD Investment, Inc.

10 Q. U.S. Top 100 percent?

11 A. Yeah.

12 Q. Okay. And that's the same XLD U.S. Top you
13 referred to as the last set of questions?

14 A. Yes.

15 Q. Okay. Fine. And so same question, these --
16 for the most part, these relationships and
17 percentages have been in place for the last five or
18 ten years, correct?

19 A. Yes.

20 Q. Okay. And you've been aware of these
21 relationships and percentages, roughly speaking, the
22 entire time you worked for XLD; is that right?

23 A. That's correct, yes.

24 Q. Okay. And how long have you been working for
25 XLD?

JIAQI ZHANG

1 A. Since 2013.

2 Q. Okay. Okay. So just so we're clear, so the
3 whole time from -- the last ten years, you've been
4 working for various XLD entities, correct?

5 A. Yes.

6 Q. Okay. And the whole time you've been aware
7 that ultimately the main owner, ultimate owner of
8 these entities is Sichuan Singlida in the People's
9 Republic of China, right? You're nodding your head,
10 does that mean yes?

11 A. The parent company is like the same parenting
12 company, we're not changing any, yes.

13 Q. Okay. So that means yes?

14 A. Yeah.

15 Q. Okay. Now, is there someone who's like the
16 big boss, the head person at this PRC Sichuan
17 Singlida?

18 A. You mean the owner of the Sichuan Singlida?

19 Q. Yeah.

20 A. Yeah, there -- definitely, every company has
21 a boss. There's one majority owner of the Sichuan
22 Singlida.

23 Q. Right. So, you know, I'm sure you've heard
24 the phrase the big cheese, the head honcho, you've
25 heard those kind of phrases before, right?

JIAQI ZHANG

1 A. I'm not sure, what are you -- you mean
2 like --

3 Q. Okay. Let me ask you. There's usually one
4 person who's sort of the primary person in a company.

5 A. Yes.

6 Q. Okay. And I'm just wondering who's that
7 person for Sichuan Singlida?

8 A. Jun Zhang, he owns the majority share of that
9 company.

10 Q. Okay. Can you say that again?

11 A. Jun Zhang.

12 Q. I apologize, that's very difficult for me.
13 And that person has -- does that person have
14 the same last name as you?

15 A. Yes.

16 Q. Okay. Is that related?

17 A. Yes.

18 Q. I'm sorry.

19 A. He's my father.

20 Q. Okay. So it's like a family business you can
21 say?

22 A. Yes.

23 Q. Okay. And I think you mentioned your brother
24 is involved in the business as well, right?

25 A. Yes.

JIAQI ZHANG

1 A. We -- our companies invest -- we purchased
2 three hotels. The purchase of two hotels here in
3 L.A., and my daily job is communicate and operate in
4 ways the management level seeing to discuss about our
5 project in our daily operations.

6 Q. Okay. And you say that there's three hotels.
7 The other one's in Puerto Rico; is that right?

8 A. Yes.

9 Q. And so just so we're clear, like XLD Century,
10 that owns the LAX Marriott; is that right?

11 A. Yes.

12 Q. And XLD Group LLC owns the Torrance Marriott;
13 is that right?

14 A. Yes.

15 Q. Okay. Now -- hold on just a second.

16 Okay. So I'm going to try to show a document
17 to you which I'll -- I guess I'm going to mark it as
18 -- I guess why don't we call it Z1.

19 A. Z1?

20 Q. Well, in English your last name seems to
21 start with a Z, so I'm just trying to keep this as
22 simple as I can. So hold on a second.

23 (Whereupon Plaintiff's Exhibit Z1, Joint Rule
24 26 Report, was marked for identification.)

25 /

JIAQI ZHANG

1 BY MR. ABRAMS:

2 Q. All right. Can you see the document I'm
3 looking at?

4 A. Yes.

5 Q. Okay. And you don't need to worry about most
6 of it 'cause it's all like legal mumbo jumbo, but I'm
7 showing you page two, and you see towards the top
8 where it says "Defendant's Position"?

9 A. Yes.

10 Q. Okay. So do you see that it says, "The
11 defendants own certain Marriott hotels operated by
12 Marriott Management in California". Do you see that?

13 A. Yeah.

14 Q. Okay. So I guess is that true?

15 A. Yeah, our hotel, yes, we operate by Marriott
16 Management.

17 Q. Okay. So I just want to -- you know, we
18 don't need to go crazy on this, but I want to
19 understand. So are you -- you know, I guess what's
20 your involvement in managing the hotels if Marriott
21 is managing them? Do you understand my question?

22 A. Yeah. Yes.

23 Q. Okay. So can you explain that?

24 A. They do -- we're the ownership of the hotels.

25 Q. Okay.

JIAQI ZHANG

1 A. So basically we have management agreement
2 with the Marriott Management Team. So they do daily
3 operations, but from XLD, we invest the money, we
4 have to be responsible for our shareholders, and
5 that's why we very -- we communicate very closely
6 with the high level management team weekly. So we
7 have phone calls with them, you know, we go to
8 properties, and we discuss about budgets,
9 renovations, and the performance basically on a very
10 like weekly, daily basis.

11 Q. I see. So is it fair to say that both of the
12 defendants in this matter have signed, like, standard
13 management agreements with Marriott Hotel Services?

14 A. Yes, that's correct.

15 Q. Okay. And you know I don't -- you know, I
16 don't have those agreements, and it's probably not
17 that important for this case, but I just want to make
18 sure I understand the relationship here. So hold on
19 a second, let me just see.

20 Marriott's a publicly traded company, right?

21 A. Yes.

22 Q. Okay. So you -- probably their management
23 agreements are available. I mean I guess -- let me
24 skip to the next topic, I don't want to get too
25 sidetracked. Let me ask you this:

JIAQI ZHANG

1 So did there come a time when both of the
2 defendants in this matter apply for second-round PPP
3 disaster relief?

4 A. Can you repeat again?

5 Q. Did there come a time when the defendants in
6 this matter applied for second-round PPP disaster
7 relief?

8 MS. MOON: Kind of vague did there come a
9 time. Are you trying to say that did the companies
10 request the relief?

11 BY MR. ABRAMS:

12 Q. Ma'am, do you not understand my question?

13 A. Not -- not very clearly.

14 Q. Okay. Well, let me put it a different way.
15 Let's start with -- hold on a second.

16 Let me ask you this, ma'am. Do you know what
17 this lawsuit is about?

18 A. Yes.

19 Q. And to your understanding, what's this
20 lawsuit about?

21 MS. MOON: Objection, that's not calculated
22 to lead to admissible evidence, and it calls for
23 legal conclusion. To the extent that you're asking
24 her her understanding of the legal positions, I'm
25 going to instruct her not to answer.

JIAQI ZHANG

1 And what are you trying to say? What does
2 her understanding of this lawsuit have anything to do
3 with it? Can you be more specific?

4 MR. ABRAMS: Well, you know, look, the thing
5 is this. It's reasonable question. I'm not going
6 to, like, make a big fight over this, but, you know,
7 Rule 30 is the same everywhere. You know, your
8 objections, the scope of objections is very limited,
9 and what you've done is you've gone beyond the scope
10 of reasonable objections.

11 And, you know, if this keeps up, we're going
12 to have a big problem, I'll tell you that right now.
13 So I'm going to move on to another question, but I'll
14 tell you right now that these kind of objections are
15 not appropriate.

16 MS. MOON: Well, that's not your decision,
17 it's the court's decision.

18 MR. ABRAMS: That's right, it will be the
19 court's decision.

20 BY MR. ABRAMS:

21 Q. Okay. Ma'am, did defendant XLD Group LLC
22 ever apply for second-round PPP disaster relief?

23 A. Yes.

24 Q. Okay. And are you the one who applied for
25 that relief on behalf of XLD Group LLC?

JIAQI ZHANG

1 A. Well, I -- our group, like, withdrew the
2 numbers and steps, yes.

3 Q. Okay. And same questions for defendant XLD
4 Century LLC, did XLD Century LLC apply for
5 second-round PPP disaster relief?

6 A. Yes.

7 Q. Okay. And are you the one who applied for
8 second-round PPP disaster relief on behalf of that
9 entity?

10 A. Same, I went through all the steps, and on
11 behalf of XLD Century, I applied.

12 Q. Okay. And when you say you went through all
13 the steps, that meant filling out forms on a
14 computer; is that right?

15 A. Yes.

16 Q. Okay. So I'm going to show you a couple
17 documents. So first, I'm going to show you what's
18 been marked as -- what I'm going to mark as Z2.

19 (Whereupon Plaintiff's Exhibit Z2, PPP
20 application for XLD Group LLC, was
21 identification.)

22 BY MR. ABRAMS:

23 Q. All right. Can you see that?

24 A. Yes.

25 Q. Okay. And it's a four page document, and you

JIAQI ZHANG

1 see at the top it says "Paycheck Protection Program
2 Second Draw Borrower Application Form"?

3 MS. MOON: Counsel, we don't see the four
4 page obviously, we only see a little portion of a
5 tiny little section. So we don't see top or bottom
6 or any four pages really.

7 MR. ABRAMS: Okay. This is -- I mean if you
8 want, I'll e-mail it to you so she can look at the
9 whole thing if she wants or it's part of your
10 document production.

11 MS. MOON: You're just making -- oh, it's XLD
12 00 -- 001. I can get that.

13 MR. ABRAMS: It's 01 through 04. So if you
14 want to pull it up yourself and look at the whole
15 thing.

16 THE WITNESS: Yeah, we have --

17 MS. MOON: Okay, let me pull it up. I got
18 it. XLD 001 through 004, I got it. So you can let
19 go of that shared screen, it's not working. It's
20 only giving us portion. Okay, so we got the document
21 right here.

22 BY MR. ABRAMS:

23 Q. So, ma'am, do you understand that this is a
24 set of documents that was produced by your attorney's
25 in this matter?

JIAQI ZHANG

1 A. Yeah.

2 Q. Okay. And you see at the top it says
3 "Paycheck Protection Program Second Draw Borrower
4 Application Form"?

5 A. Yes.

6 Q. Okay. And you see under Primary Contact it
7 says Jiaqi Zhang?

8 MS. MOON: Where does it say that? Say
9 where?

10 MR. ABRAMS: On the first page in the upper
11 right-hand corner about three lines down, do you see
12 sit says Primary Contact.

13 A. The Primary Contact, yes.

14 MS. MOON: Oh, primary contact, okay.

15 BY MR. ABRAMS:

16 Q. All right. And that's your name; is that
17 right?

18 A. That's right.

19 Q. All right. And then you see it says e-mail
20 address?

21 A. Yeah, that's my e-mail address.

22 Q. Okay. So is this a form that you completed,
23 ma'am?

24 A. I think I complete this form with my -- my
25 team, and I'm not quite sure.

JIAQI ZHANG

1 Q. Okay. Well, let me ask you this: Was this
2 completed online?

3 A. Yes.

4 Q. Okay. And so I want you to look on the
5 fourth page. Actually on the third page. Do you see
6 there's a whole series of lines, and it says "JZ"
7 next to each of those little statements?

8 A. Yes.

9 Q. Okay. And so isn't it true that you had to
10 essentially initial next to each of those stations --

11 A. Yes.

12 Q. -- when you were completing the form?

13 A. Yes.

14 Q. Okay. And that was done online, right?

15 A. Yes.

16 Q. Okay. And you see, like, your initials
17 appeared next to -- well, do you see where it says,
18 "The authorized representative of the applicant must
19 certify in good faith to all of the below by
20 initialing next to each one." Do you see that?

21 A. Yes.

22 Q. Okay. And you, in fact, initialed next each
23 of these statements, correct?

24 A. Yes.

25 Q. All right. Why did you do that?

JIAQI ZHANG

1 A. Why did I do that? What do you mean?

2 Q. Well, why did you put your initials next to
3 each statement?

4 A. So I read it, and I checked it and so I put
5 my initials, I confirmed.

6 Q. Okay. All right. And then you submitted
7 this form, correct?

8 A. Yes.

9 Q. All right. And you submitted this form in
10 order to get the \$2 million in disaster relief,
11 correct?

12 A. Yes.

13 Q. And you did get the \$2 million in disaster
14 relief; is that right?

15 A. Yes.

16 Q. And when I say you, I mean your company,
17 right?

18 A. Yeah.

19 Q. Okay. And that those -- that money was
20 eventually forgiven, right?

21 A. Yes.

22 Q. Okay. Now, you see on page four the initial
23 statement, the second from the top where -- you want
24 me to read it to you or do you see what I'm talking
25 about, the one that refers to the People's Republic

JIAQI ZHANG

1 of China, do you see that one?

2 A. Yes, I see that one.

3 Q. Okay. So now did you read that before you
4 initialed it?

5 A. Yes.

6 Q. Okay. And did you understand it?

7 A. Yeah.

8 Q. Okay. And what did you understand it to
9 mean?

10 A. That the applicant, which is XLD Group, it's
11 not an entity created or organized under the law of
12 the People's Republic of China or Hong Kong, and we
13 -- XLD Group or XLD Century, we don't have
14 significant operation in China or Hong Kong, and we
15 don't own or host directly or indirectly not less
16 than 20 percent of the interest.

17 And I understand, like, we don't have member
18 of the business or any person who is like a resident
19 of People's Republic of China, yeah. Well, we don't
20 have any member or of the board.

21 MS. MOON: Of the --

22 THE WITNESS: Of the board or directors of
23 the business concern or like who -- who is like the
24 resident of the People's Republic of China.

25 /

JIAQI ZHANG

1 BY MR. ABRAMS:

2 Q. Well, let me ask you this: I'm going to look
3 at it. So you see it says, "The applicant is not a
4 business concern or entity"?

5 A. Uh-huh (affirmative).

6 Q. "For which an entity created in or organized
7 under the People's laws -- the laws of the People's
8 Republic of China or Hong Kong or" -- I'm sorry, let
9 me finish my question, ma'am.

10 Do you see it says, "for which an entity,"
11 and then there's some stuff about China. Then says,
12 "owns or holds directly or indirectly not less than
13 20 percent of the economic interest of the business
14 concern or entity." Do you see that?

15 A. Yes.

16 Q. Okay. So isn't that saying that you're
17 certifying that the applicant is not an entity for
18 which a PRC company has ownership interest?

19 A. It is what it says here.

20 MS. MOON: She already told you her
21 understanding.

22 MR. ABRAMS: Okay. Look, I'm allowed to ask
23 her questions. This is very important, and I'm
24 allowed to do it, and I'd appreciate it if you didn't
25 say anything suggestive. Okay, you're trying to

JIAQI ZHANG

1 suggest to her how she should respond, and I really
2 don't appreciate it.

3 MS. MOON: How is that a suggestion?

4 MR. ABRAMS: I'm not going to argue.

5 BY MR. ABRAMS:

6 Q. Ma'am, let me ask you this: We agreed that
7 Sichuan Singlida indirectly owns more than 20 percent
8 of the economic interest of XLD Group LLC, right?

9 A. XLD Sichuan Singlida is the parent company,
10 yes, but indirectly, yes.

11 Q. Right. So it says -- let me ask you this:
12 In the first clause where it says "business concern
13 or entity" you see that, right?

14 A. Uh-huh (affirmative).

15 Q. Do you see that?

16 A. Yes.

17 Q. Okay. And so you understand that business
18 concern or entity refers to the applicant, refers to
19 XLD Group LLC, right?

20 A. Yes.

21 Q. Okay. And then you see a couple lines down,
22 it says, "not less than 20 percent of the economic
23 interest of the business concern or entity." Do you
24 see that?

25 A. Yes.

JIAQI ZHANG

1 Q. Okay. So you understand that's talking about
2 ownership of XLD Group LLC, correct?

3 A. Yeah.

4 Q. Okay. So the certification is saying that
5 there's no PRC company that owns more than 20 percent
6 of the economic interest of XLD Group LLC, right?

7 A. No.

8 Q. Doesn't mean that to you?

9 A. No, that's not what I see from this phrase.

10 Q. As you sit here today, that's not your
11 interpretation of this language, correct?

12 A. What's that? Can you repeat again?

13 Q. As we sit here today, you're confident that
14 this language is not referring to the ownership of
15 the applicant? It's not referring to entities that
16 own the applicant, correct?

17 A. Correct.

18 Q. Okay. And if it were referring to that, then
19 -- if it were referring to the ownership of the
20 applicant, then you couldn't have honestly initialed
21 that, right?

22 A. Can you say it again?

23 Q. I said if this language is referring to the
24 ownership of the applicant, of the ownership of the
25 XLD Group LLC, then you could not have honestly

JIAQI ZHANG

1 certified to this representation, correct?

2 A. It's talking about whether XLD owns a company
3 in China.

4 Q. All right. But assuming for the sake of
5 discussion, and I know you interpret this language
6 differently, but assuming that it's referring to the
7 ownership of XLD Group LLC, and not what is owned by
8 XLD Group LLC, then you would not have been able to
9 accurately certify to this representation, correct?

10 A. Well, I don't -- I don't -- I don't know why
11 -- why -- what do you mean?

12 Q. You're not able to understand my question,
13 ma'am?

14 A. I think your question's like -- I don't
15 understand.

16 Q. You don't understand. Well, let me ask you
17 this, ma'am. How old were you when you started
18 reading English?

19 A. Sixteen.

20 Q. Sixteen? And would you say you have good
21 English comprehension skills?

22 A. For basics, yes.

23 Q. For basic? What would you say your
24 comprehension skills are good enough to understand
25 this entire application?

JIAQI ZHANG

1 A. Well, I don't think so, I have, like, how do
2 you define that? Yeah. I thought I did.

3 Q. Well, I'm asking you what you think now. Do
4 you think that -- as we sit here today, do you think
5 your English skills are good enough to understand
6 this application form?

7 A. I -- I already said, like, what I understand.
8 I --

9 Q. All right. And I'm asking you if you believe
10 that your English skills are good enough to
11 understand this form?

12 A. I thought I did, I thought I understand this.

13 Q. Okay. Well, as we sit here today, do you
14 think that you understand this?

15 A. Yes.

16 Q. Okay. So the answer's yes, so you do think
17 your English is good enough to understand this form?

18 A. I think I understand it, but I feel like
19 you're saying like I didn't.

20 Q. Well, I'm asking you, ma'am, okay? I'm
21 asking you if your English -- if your English
22 skills -- as we sit here today, if you believe your
23 English skills are good enough to understand this
24 form? It's a simple yes or no question.

25 A. Yes.

JIAQI ZHANG

1 Q. Okay. And you believe the same thing when
2 you completed the form in 2021, right?

3 A. Yeah, I understood the language like as I
4 told you already.

5 Q. Okay. And there was no doubt in your mind
6 that your interpretation was correct, right?

7 A. What do you mean?

8 Q. Like when you completed the form --

9 A. Yeah.

10 Q. -- you were confident that your
11 interpretation of the form was correct?

12 A. Yeah.

13 Q. Okay. And -- but you saw this about the
14 People's Republic of China, right?

15 A. Huh?

16 Q. Yes?

17 A. Can you say it again?

18 Q. You saw language about the People's Republic
19 of China, correct?

20 A. Yes. Yes.

21 Q. And you knew that the applicant XLD Group LLC
22 was connected in some way to the People's Republic of
23 China, right?

24 A. Well, it just talk about like XLD owns a
25 company in China, that's what I --

JIAQI ZHANG

1 Q. Okay. So, yes, but my question is you knew
2 at the time that there was some kind of connection
3 between XLD Group LLC and the Chinese company, right?

4 A. Yeah, I did talking about whether XLD owns a
5 company in China.

6 Q. Okay. Well, that's not my question. My
7 question is at the time, you knew that there was a
8 connection between XLD Group LLC and a company in the
9 People's Republic of China? Did you -- you were
10 aware of that, right?

11 A. I'm aware there's the Republic -- yeah,
12 there's a connection.

13 Q. Okay. Now let me ask you this: Did you --
14 before completing this form, did you consult with
15 anyone?

16 A. With this form? This is -- no, this is just
17 like our team.

18 Q. Well, did you talk to anyone about the form
19 before you completed it and submitted it?

20 A. I submit this form specification.

21 Q. Does that mean yes or no, ma'am?

22 A. No.

23 Q. Okay. So you didn't consult with anyone?

24 A. No, we -- no.

25 Q. Okay.

JIAQI ZHANG

1 A. It's just our team, like, when we get some
2 numbers.

3 Q. Well, when you talk about a team, who is on
4 the team?

5 A. Our accountant, our in-house accountant that
6 prepared the numbers in a financial supporting
7 documents.

8 Q. Okay. And what's that person's name?

9 A. Jack Chen, J-a-c-k, last name C-h-e-n.

10 Q. Okay. Anyone else?

11 A. No.

12 Q. Okay. And you say you discussed the numbers
13 with him, did you discuss this form with him in any
14 way?

15 MS. MOON: Which part?

16 THE WITNESS: It's -- we needed to, like,
17 prepare, like, some numbers, and so we discussed this
18 application, but --

19 BY MR. ABRAMS:

20 Q. Let me ask you this: Did you discuss this
21 part about the People's Republic of China with him?

22 A. No, I think I understand it's like -- I can
23 finish this form by myself.

24 Q. Okay. Well, let me ask you this: On the
25 first page you see where it says to -- well, actually

JIAQI ZHANG

1 hold on a second before I get into that, let me ask
2 you this:

3 So you actually filled out more than one of
4 these forms, right? You filled out one for XLD Group
5 LLC and one for XLD Century LLC, right?

6 A. Yes.

7 Q. All right, hold on a second. Let me get the
8 one for XLD Century.

9 MS. MOON: Do you have a question pending?
10 Can we take a break?

11 MR. ABRAMS: Now's a fine time to take a
12 break. How long do you need?

13 MS. MOON: Ten minutes.

14 MR. ABRAMS: I mean if you want to take a ten
15 minute break, that's fine with me. We'll resume at
16 2:07 p.m. Eastern time which is -- I don't know what
17 that is.

18 MS. MOON: Eleven.

19 MR. ABRAMS: 11:07, 11:07 Pacific time, okay?

20 MS. MOON: Okay. We'll talk to you later.

21 (Whereupon a short break was taken.)

22 BY MR. ABRAMS:

23 Q. All right, ma'am, now that you've had a ten
24 minute break and a chance to confer with your
25 counsel, is there any testimony you've given that you

JIAQI ZHANG

1 want to correct or change in any way?

2 A. No.

3 Q. Okay. So and I can't remember -- you know,

4 before we move on, I just want to confirm. So

5 Exhibit 2, that's a document that you completed and

6 submitted in order to get second draw Paycheck

7 Protection Program monies; is that correct?

8 A. Yeah. Yes.

9 Q. Okay. On behalf of XLD Group LLC?

10 A. Yes.

11 Q. Okay. So I'm going -- I guess I'll e-mail
12 you the similar form for XLD Century.

13 (Whereupon Plaintiff's Exhibit 2, PPP
14 Application for XLD Group, LLC was marked for
15 identification.)

16 MR. ABRAMS: So, Attorney Moon, do you want
17 me to e-mail that to you?

18 MS. MOON: Okay.

19 MR. ABRAMS: I mean I can screen share it,
20 but it seems like you're not --

21 MS. MOON: Because the exhibit -- I think
22 it's the same other than the numbers, and you're not
23 going to ask about numbers. So I think it's the
24 same, just share screen.

25 MR. ABRAMS: Okay, I will try.

JIAQI ZHANG

1 BY MR. ABRAMS:

2 Q. So I'm going to show you -- hold on.

3 Okay. So do you see the document, ma'am?

4 A. Yes.

5 Q. Okay. And it's a four page document. Do you
6 want me to scroll through it, so you can see it all?

7 MS. MOON: Just show us the portion where
8 you're going to ask questions on 'cause, you know,
9 you can't really --

10 MR. ABRAMS: Well, I have a question about
11 the entire document.

12 MS. MOON: Okay.

13 BY MR. ABRAMS:

14 Q. So the question is this: Is this the form
15 that you completed and submitted in order to get
16 second draw Paycheck Protection Program monies for
17 XLD Century LLC?

18 A. Yes.

19 Q. Okay. And you signed this form
20 electronically?

21 A. Yes.

22 Q. And you signed the other form electronically,
23 the one we talked about be a minute ago?

24 A. Well, I -- yes, I signed it through their
25 online portal, but I don't recall, like -- I tried

JIAQI ZHANG

1 looking for the signed copy, but I couldn't find it.
2 You know, I you don't -- I don't recall whether I
3 signed or not.

4 Q. Okay. Well, you submitted it through their
5 online portal, right?

6 A. Yeah.

7 Q. And that asked for some kind of electronic
8 signature or confirmation or something like this,
9 correct?

10 A. No.

11 Q. It didn't?

12 A. No.

13 Q. So you're testifying -- let's just make sure
14 I understand this. You applied for second-round PPP
15 monies on behalf of XLD Century LLC and XLD Group
16 LLC, correct?

17 A. Can you repeat again?

18 Q. You applied for -- I'm going to say PPP
19 instead of Paycheck Protection Program. You applied
20 for PPP monies for XLD Century LLC and XLD Group LLC,
21 correct?

22 A. Yeah.

23 Q. Okay. You're looking at your attorney, and
24 I'm going to admonish you if you don't know how to
25 answer a question, your attorney's not allowed to

JIAQI ZHANG

1 help you in any way, do you understand that?

2 A. I can look whatever direction I want to.

3 Q. Okay. All right. You know, look, I'm going
4 to ask that you turn the camera so that I can see
5 both of you. Would you please do that?

6 MR. ABRAMS: Because the thing is this:
7 Ms. Moon, you know perfectly well that if she looks
8 for you for help, you can't help her?

9 MS. MOON: Excuse me.

10 MR. ABRAMS: I'm just saying that.

11 MS. MOON: Harass her and make her -- be rude
12 like this. You do a better job, counsel. That's
13 ridiculous for you -- just because she turned her
14 head toward me, for you to go to this length, it's
15 rude.

16 MR. ABRAMS: All right.

17 BY MR. ABRAMS:

18 Q. So, ma'am, you applied for second-round PPP
19 relief for XLD Century LLC and XLD Group LLC; is that
20 right?

21 A. Yes.

22 Q. Okay. And you did that online, correct?

23 A. Yes.

24 Q. And you completed forms online to do that,
25 correct?

JIAQI ZHANG

1 A. Yes.

2 Q. All right. And you're saying that -- you
3 deny that the system required you to provide any kind
4 of electronic signature for these forms, is what
5 you're testifying to?

6 A. Well, I don't recall whether I signed or not
7 'cause I tried to looking for signed copies, and I
8 couldn't find it.

9 Q. Okay. So the answer is you don't remember;
10 is that right?

11 A. Yeah, I don't remember.

12 Q. Okay. But if the bank were to testify that
13 you had to electronically sign the documents in order
14 to get the money, you wouldn't dispute that, would
15 you?

16 A. Sure, yeah.

17 Q. You would dispute it?

18 A. Well, I don't remember if I signed it or not.

19 Q. Okay. I'm just asking you if the bank -- if
20 a representative of the bank were to testify that you
21 had to actually electronically sign the documents in
22 order to get the money, would you dispute that
23 testimony?

24 A. I don't remember.

25 Q. You don't -- so you're saying -- you said you

JIAQI ZHANG

1 don't know if you would or you wouldn't?

2 MS. MOON: Can you just move on from this?

3 What point are you going to make? I mean --

4 BY MR. ABRAMS:

5 Q. Are you able to answer my question, ma'am?

6 A. I think that -- well, see like -- it's like
7 really depends if -- it really depends like whether
8 they have my signed pages or not, right?

9 Q. Well, do you see at the bottom of this form,
10 ma'am, it says "Signature of Authorized Person", and
11 then it's printed. Your name is printed there, do
12 you see that?

13 A. Uh-huh (affirmative).

14 Q. Do you see that, ma'am?

15 A. Yes, yes.

16 Q. Okay. So do you know how those words got
17 there on that form?

18 A. I don't recall.

19 Q. You don't know. Let me ask you this: So the
20 same set of questions about this form as the other in
21 terms of initialing it and so on. If I ask you those
22 questions for this form that it did for the previous
23 exhibit, would you give the same answers?

24 A. Can you say again?

25 Q. Do you recall I asked you a set of questions

JIAQI ZHANG

1 about Exhibit 2 that the application form for XLD

2 Group LLC, do you remember that set of questions?

3 A. Yes, yes.

4 Q. Okay. And if I were to ask you the same set

5 of questions about this form, would you give the same

6 set of answers?

7 A. Yes.

8 Q. Okay. And in particular, on page -- on the

9 -- do you see the certification?

10 A. Yes.

11 Q. For -- that relates to the People's Republic

12 of China?

13 A. Uh-huh (affirmative). You mean the second

14 paragraph?

15 Q. Yep, on page four, do you see that?

16 A. Yes.

17 Q. Okay. And so as we sit here today, you're

18 confident that what that means is the applicant can't

19 have a subsidiary which operates or is registered in

20 the People's Republic of China, correct?

21 A. Yes.

22 Q. Okay. And that's what you believed at the

23 time?

24 A. Uh-huh (affirmative).

25 Q. Yes?

JIAQI ZHANG

1 A. Right.

2 Q. And there's no doubt if your mind about that
3 fact?

4 A. No.

5 Q. None?

6 A. No, I -- I understand that there's -- yeah,
7 we're not applied -- that those are not applied to
8 us.

9 Q. Okay. Now, let me ask you this: You aren't
10 -- did you ever try to conceal from the lender the
11 fact that either of these defendants, either of these
12 entities were ultimately owned by an entity in the
13 People's Republic of China?

14 A. No.

15 Q. Okay. Let me ask you this: Let's go back to
16 Exhibit 2.

17 MS. MOON: The application form you mean
18 for --

19 MR. ABRAMS: Yeah, there's two XLD the XLD
20 Group application form. Hold on a second, I need to
21 pull it up myself.

22 BY MR. ABRAMS:

23 Q. Okay. So you see on page one, it says, "List
24 all owners of 20 percent or more of the equity of the
25 applicant"?

JIAQI ZHANG

1 MS. MOON: I'm sorry, where?

2 MR. ABRAMS: On page one of Exhibit 2, that's
3 the application form for XLD Group LLC.

4 THE WITNESS: Yeah.

5 BY MR. ABRAMS:

6 Q. Okay. You see it says to list all owners of
7 20 percent or more, right?

8 A. Uh-huh (affirmative).

9 Q. And you see it says your name, and it says
10 that you own a 100 percent. Do you see that?

11 A. Yeah. Yes.

12 Q. That's never been true, has it?

13 A. I don't -- I didn't fill this form, like this
14 form comes out -- this form comes out, it's like
15 electronically.

16 Q. All right. So you're saying you don't know
17 who put that information in?

18 A. Well, I don't -- I don't know.

19 Q. Okay. Is there anyone with XLD Group who was
20 involved in completing the applications with the
21 computer for second-round PPP?

22 A. Let's just -- I told you, just me and my
23 accountant.

24 Q. And your what?

25 A. Our accountant in-house Jack Chen, I believe

JIAQI ZHANG

1 I gave the name earlier.

2 Q. Okay. So you did more than consult with him,
3 he actually completed the form online?

4 A. I completed the form, and I need the numbers
5 supporting, and we were just work together through
6 the whole program.

7 Q. Okay. But did he access the computer system
8 to complete the application form for second-round PPP
9 at all?

10 A. Does it matter?

11 Q. Ma'am, are you able to answer my question?

12 A. I would just, like, go through the
13 application form, and Jack will -- like he's
14 responsible for the numbers.

15 Q. Okay. My question, ma'am, did -- when you
16 completed the application form, you did it from a
17 computer, correct?

18 A. Yes.

19 Q. And that computer is located at the office of
20 XLD Group LLC on Foothill Boulevard, right?

21 A. Yes.

22 Q. And was that the only computer that was used
23 to apply for the second-round PPP or were there other
24 computers involved with that?

25 A. Well, I don't remember, but I think the

JIAQI ZHANG

1 section Jack helped me complete this, and I finished
2 the rest of it.

3 Q. Okay. So when you said he helped you
4 complete it, was he standing there and/or sitting
5 there with you while you filled the information in?

6 A. Yes.

7 Q. Okay. So you're both doing it together; is
8 that right?

9 A. Yes.

10 Q. Okay. So you see this bit about you owning a
11 100 percent, correct?

12 A. Yes.

13 Q. And that's never been true, correct?

14 A. That's not.

15 Q. Okay. Do you know why that information was
16 put in if it was not true?

17 A. I don't know.

18 Q. Did you put it in or did Jack put it in?

19 A. No.

20 Q. I'm sorry?

21 A. No. We didn't.

22 Q. Neither of you put it in?

23 A. No.

24 Q. Okay. Do you know how it got there?

25 A. I don't know.

JIAQI ZHANG

1 Q. Okay. And the second line where it says "XLD
2 Group N.A. Real Estate Development, Inc. owner 95
3 percent," did you put that in, did Jack put that in,
4 did someone else put that in?

5 A. We didn't fill this form -- this form doesn't
6 look like the same, so I don't know how this form
7 comes out. We give them, like, information, and -- I
8 can't see like XLD. Yeah.

9 Q. I'm sorry, when you say we give them
10 information, who's the "them"?

11 A. Me and Jack.

12 Q. So you gave information to you and Jack?

13 MS. MOON: He's asking you who did you give
14 -- you said "I gave them information". He's asking
15 you who is them?

16 THE WITNESS: Oh, the bank PPP application.
17 BY MR. ABRAMS:

18 Q. Okay. So are you testifying that the bank
19 completed this part of the form for you?

20 A. The system. I mean the online system, it
21 comes out -- the form is like not the form like with
22 you the first time. We didn't put like I own 100
23 percent owner of XLD Group. Why would I, I'm not an
24 owner.

25 Q. Okay. Is it your testimony that you have no

JIAQI ZHANG

1 idea where this information came from?

2 A. I have no idea why this come -- this
3 information showed like I own a 100 percent, doesn't
4 make sense, right? You add up all the percentage,
5 it's like -- it's like way off.

6 Q. Okay. But you know that neither you nor Jack
7 put that in, correct?

8 A. We know the structures, we know the shares,
9 we know the number of the shares, and we know the
10 shareholders. That's the information we provide to
11 the online -- through the online portal, but the form
12 you saw and we saw is like I don't know why my name
13 is showing as title as owner, that's -- that's the
14 thing, I don't know, I don't know why this happened.

15 Q. Okay. So that's not information that you put
16 in, correct?

17 A. No.

18 Q. And you don't know who put that in, correct?

19 A. No, I don't know.

20 Q. Okay. All right. So let's turn to -- it
21 says, "XLD Group N.A. Real Estate Development, Inc.
22 owner 95 percent," but was that true at the time?

23 A. Yeah.

24 Q. Okay. And did you put that in?

25 A. Well, I knew -- you mean like I filled in,

JIAQI ZHANG

1 like in the form or what do you mean? I'm telling
2 you that I know like the structure is. I saw the
3 Group N.A. owns 95 percent, and the Grand Tripod owns
4 five percent, that's my understanding. But why this
5 form comes out like this, has four lines, I don't
6 understand, I don't know.

7 Q. Okay. So you don't know how this information
8 got into this form this way, correct?

9 A. No, I don't know.

10 Q. Okay. And you submitted this form, though,
11 correct?

12 A. Yes. I submitted through the online portal.

13 Q. Okay. And when you submitted through the
14 online portal, did it give you an opportunity to
15 review everything that you're about to submit before
16 you click the button to submit it?

17 A. No.

18 Q. No?

19 A. No, I don't remember completely, no.

20 Q. Okay. Let me ask you this: You see it says
21 Jun Zhang --

22 A. Uh-huh (affirmative).

23 Q. -- 100 percent owner. Was that true at the
24 time?

25 A. You're going back to -- Jun Zhang is my

JIAQI ZHANG

1 father, yes, he owns the Sichuan Singlida, but are
2 you asking if he owns 100 percent of XLD Group?

3 That's no.

4 Q. Okay. And, again, so this is not information
5 that you either put in the form or provided to --

6 A. No.

7 Q. -- the bank; is that correct?

8 A. No, I didn't. I didn't put this information.

9 Q. Okay. And you don't know where it came from,
10 correct?

11 A. No.

12 Q. When I say correct and you say no, that means
13 you're agreeing with me, right?

14 A. Okay, I didn't given this information.

15 Q. You didn't give information, and you don't
16 know where it came from, right?

17 A. No, I don't -- I don't know where it came
18 from.

19 Q. Okay.

20 A. You know, the no and yes is like really just
21 a grammar thing, it's really different from Mandarin,
22 so...

23 Q. Okay. Well, let me ask you this: In -- at
24 York, was there English classes?

25 A. I'm sure the university has English lessons

JIAQI ZHANG

1 class.

2 Q. Did you take English classes?

3 A. No.

4 Q. Did you take English classes in high school?

5 A. Yes.

6 Q. And how were your grades?

7 A. I think okay, average. I pass the extent.

8 Q. Okay. Let me ask you this: Turning to page
9 three, you see there's some bullet points at the top?

10 A. Uh-huh (affirmative).

11 Q. Does that mean yes?

12 A. Yes, yes, sorry.

13 Q. Okay. And you see the first bullet point, it
14 says, "I have read the statements included in this
15 form, and I understand them." Do you see that?

16 A. Yes.

17 Q. And did you read that at the time you
18 completed this form?

19 A. Yes.

20 Q. Okay. And then it says, "The applicant is
21 eligible to receive a loan under the rules in effect
22 at the time this application is submitted that it was
23 issued by the Small Business Administration and the
24 Department of the Treasury." Do you see that?

25 A. Yes.

JIAQI ZHANG

1 Q. And did you read that at the time?

2 A. Did I what? Sorry.

3 Q. Did you read that at the time?

4 A. Yes.

5 Q. Okay. And did you do anything to look up any
6 of those regulations to make sure that XLD Group and
7 XLD Century were eligible?

8 A. No.

9 Q. Okay. All right. Turning to Exhibit 3. I
10 guess you need me to screen share that?

11 MS. MOON: Which one.

12 MR. ABRAMS: Exhibit 3 is the XLD form for
13 Century.

14 MS. MOON: Okay. Just put it on the screen
15 then.

16 (Whereupon Plaintiff's Exhibit Z3, PPP
17 Application for XLD Century, LLC, was marked
18 for identification.)

19 BY MR. ABRAMS:

20 Q. Okay. So you see on the first page it says
21 your name, and then it says owner?

22 MS. MOON: Where? Where in the first page.

23 THE WITNESS: The same -- the same thing.

24 MS. MOON: The list of 20 percent or more?

25 /

JIAQI ZHANG

1 BY MR. ABRAMS:

2 Q. You see that, ma'am?

3 A. Yes.

4 Q. And, again, that wasn't true, right?

5 A. I don't -- this one like not even have a
6 number on this one. I really don't know that.

7 Q. It's not true -- at the time in 2021, you
8 were not an owner of XLD Century LLC, correct?

9 A. Still not an owner.

10 Q. Okay, so that means yes?

11 A. What you mean, the facts? No, I'm not an
12 owner.

13 Q. Okay. I'm asking at the time you're not an
14 owner, correct?

15 A. Correct, that's correct.

16 Q. Okay. And, again, so you don't know where
17 this information came from saying that you were an
18 owner, correct?

19 A. I don't know, that's correct.

20 Q. Okay. But you signed this form, right?

21 A. Well, I don't recall if I sign or not this
22 one.

23 Q. Okay. All right, I just want to change gears
24 for a minute. I guess I have another document. I
25 guess I'll e-mail it to you, it's quite lengthy. I

JIAQI ZHANG

1 MS. MOON: It's hard to say is this similar
2 to the agreement that she had. Why don't you ask
3 that on the interrogatories, that's more appropriate.

4 BY MR. ABRAMS:

5 Q. All right. Well, let's put the question a
6 different way. You know what, let me ask you this,
7 ma'am. Hold on a second.

8 Let me ask you this, ma'am. So when you went
9 through the application process, it wasn't your
10 intention to conceal the fact that XLD Group and XLD
11 Century were ultimately owned by PRC entity; is that
12 right?

13 A. Of course, no.

14 Q. You're saying of course, it's right or of
15 course, it's not right?

16 A. No, it's not right.

17 Q. And so -- okay. So it was your intention to
18 conceal the fact that --

19 MS. MOON: Oh, (unintelligible).

20 BY MR. ABRAMS:

21 Q. -- XLD Century and XLD Group are ultimately
22 owned by PRC entity; is that what you're testifying
23 to?

24 A. Well, you're just misunder -- you're just,
25 like, misinterpreting this. I said no, I don't -- I

JIAQI ZHANG

1 don't --

2 Q. Okay. Let me ask you this: I mean would it
3 help you if we got a Mandarin interpreter to help you
4 understand my questions, ma'am? But do you feel that
5 you're having difficulty understanding?

6 A. I understand. Do you have trouble to
7 understand me or --

8 MS. MOON: She said your questions -- she
9 said you're misunderstanding her. She said, of
10 course, no, but then why --

11 MR. ABRAMS: Ma'am, you're not allowed to do
12 this, okay? You're not allowed to answer for your
13 client. This is all being taken down, it's going to
14 come out at trial what you're --

15 MS. MOON: You're telling her she needs an
16 interpreter because she misunderstands your question.
17 She told you you're misunderstanding her answer. So
18 I'm just trying to straighten you out.

19 MR. ABRAMS: All right, ma'am, it's not your
20 job to straighten me out. You have a chance to cross
21 examine. You have a chance, at the end of this, to
22 clear up anything that you think needs to be cleared
23 up. It's not your turn to ask questions, ma'am. It
24 really isn't, and this is all going down, it's all
25 going to come out at trial.

JIAQI ZHANG

1 BY MR. ABRAMS:

2 Q. Let me ask you this, ma'am. So just so we're
3 clear, you deny that you did anything -- you were
4 doing -- you had any intention of concealing the
5 ultimate PRC ownership of these two entities; is that
6 correct? Please just say yes or no.

7 A. Correct.

8 Q. Okay. Now, it's true that in applying for
9 these loans, you communicate -- the bank was Umpqua
10 Bank, right?

11 A. Yes.

12 Q. And you communicated with them by e-mail; is
13 that right?

14 A. Yes.

15 Q. All right. Hold on a second.

16 All right. I'm going to display what's being
17 marked as Exhibit 5.

18 (Whereupon Plaintiff's Exhibit Z5, e-mail,
19 was marked for identification.)

20 BY MR. ABRAMS:

21 Q. And I'm going to ask you if you recognize
22 this document?

23 A. Uh-huh (affirmative), yes.

24 Q. Okay. And what's this document?

25 A. That's the e-mail I sent to their PPP loan

JIAQI ZHANG

1 thing underwriter or -- yeah.

2 Q. And when you say "they", you're referring to

3 Umpqua Bank?

4 A. Umpqua, uh-huh (affirmative).

5 Q. Yes?

6 A. Yes.

7 Q. Okay. And are the contents of this e-mail
8 accurate and true?

9 A. Yes.

10 MS. MOON: What's the --

11 BY MR. ABRAMS:

12 Q. Okay. Well, let me ask you this, ma'am.

13 MS. MOON: Is there any other page or is this
14 it?

15 MR. ABRAMS: It's a one page document.

16 MS. MOON: Oh, okay.

17 BY MR. ABRAMS:

18 Q. So you see it says "Jun Zhang owns 100
19 percent of XLD Group N.A. Real Estate Development,
20 Inc."?

21 A. Uh-huh (affirmative).

22 Q. Yes?

23 A. Yes, yes.

24 Q. That's not true, is it?

25 A. Well, what do you mean that's not true?

JIAQI ZHANG

1 Q. Well, didn't you testify earlier that XLD
2 Group N.A. Real Estate Development, Inc. is owned by
3 XLD Top? An entity called XLD Top?

4 A. Yeah.

5 Q. Okay. So that's not true, is it?

6 A. It is true.

7 Q. Okay. At the time was -- was Jun Zhang the
8 owner of a 100 percent of XLD Group N.A. Real Estate
9 Development, Inc.?

10 A. It's asking for personal information.

11 Q. Okay. Well, let's see. Well, you see in the
12 -- in the blue is apparently the e-mail you were
13 responding to, do you see that?

14 A. Yeah.

15 Q. Okay. And did you read that blue?

16 A. Yes.

17 Q. Okay. And at the time you read that, what
18 was in the blue?

19 A. I don't remember.

20 Q. Well, you see it says, "If the ownership
21 structure involves multiple layers of corporations,
22 partnerships and/or trust, please provide a detailed
23 lineage of the ownership until it arrives at the
24 beneficial owners." Do you see do you see that?

25 A. Uh-huh (affirmative).

JIAQI ZHANG

1 Q. Does that mean yes or no?

2 A. I don't remember. Like I finished the whole
3 thing 'cause I -- she's asking for, like, personal
4 contact information, see a home address and phone
5 numbers and DOB, date of birth, so I just e-mail her.
6 I replied to them in my e-mail.

7 Q. You see it says if the owner -- the question
8 I asked you is this: Do you see that it says, "If
9 the ownership structure involves multiple layers of
10 corporations, partnerships and/or trust, please
11 provide a detailed lineage of the ownership until it
12 arrives at the beneficial owners." Do you see that?

13 A. I don't remember, like, I read the whole
14 thing 'cause she asked me questions, I just replied
15 her questions in e-mail. Sometimes people have like
16 signatures right, like, banks in the south. And I
17 don't -- I'm not sure if I go through the whole
18 thing, but I answered -- just answered her questions
19 to give, like, confirm the contact information.

20 Q. All right. Does that mean yes or no, ma'am?

21 A. I can't any -- well, I'm just like -- she's
22 asking for like personal information and date of
23 birth, and I -- and I just give her the home address
24 and phone numbers.

25 Q. All right. What's the question that I just

JIAQI ZHANG

1 asked you, ma'am?

2 A. What is your question?

3 Q. All right. Do you know the question that I
4 just asked of you?

5 A. You asked me a lot of questions, and I'm
6 just, like, saying I'm just replying my e-mail.

7 Q. Okay. Let me try a third time. I'll ask the
8 question a third time.

9 A. Maybe reask the question.

10 Q. Okay. Do you see in the blue where it says,
11 "If the ownership structure involves multiple layers
12 of corporations, partnerships and/or trust, please
13 provide a detailed lineage of the ownership until it
14 arrives at the beneficial owners."

15 I'm just asking if you see those words on the
16 paper, ma'am?

17 A. I see it now, yes.

18 Q. Okay. Are you testifying that at the time
19 you sent that e-mail you didn't see that?

20 A. I probably didn't go through the whole thing.
21 I told you, like, she e-mailed me the questions, and
22 I just answered the questions for the personal
23 information. Like she asked in the e-mail.

24 Q. Okay. So -- well, is it fair to say that
25 when you see things like this, you don't necessarily

JIAQI ZHANG

1 read them carefully?

2 A. Probably. Probably I didn't go through the
3 whole, like, the blue -- I don't remember, like,
4 really well, like from now, yeah.

5 Q. Okay. And is it fair to say that with
6 Exhibit 2 and Exhibit 3, the application forms, that
7 you didn't read those very carefully either?

8 A. No, you can't -- you can't -- that's a
9 different thing. You can't say that.

10 Q. Okay. So your testimony is that those you
11 read very carefully; is that right?

12 A. Yes.

13 Q. Okay.

14 By the way is that true that your father
15 resides in Bradbury, California?

16 A. Yes.

17 Q. Okay. Didn't you testify earlier that he
18 spends time in multiple places?

19 A. He has some different companies, yes.

20 Q. Well, I'm not asking about his companies, I'm
21 asking about where he resides, where he spends most
22 of his time. Is it your testimony that he spends
23 most of his time in Bradbury, California?

24 A. Well, he travels a lot, so -- it's like --

25 Q. All right. Well, does he have any sort of

JIAQI ZHANG

1 Q. And how long have you been the CFO?

2 A. Yeah, I don't remember exactly.

3 Q. Okay. And just so we're clear, CFO stands
4 for Chief Financial Officer, right?

5 A. Yes.

6 Q. Okay.

7 MR. ABRAMS: I need a break. I'm very close
8 the being done. I need a break of about fifteen
9 minutes, okay? So can we come back, we'll let's say
10 at 12:07, is that okay?

11 MS. MOON: 12:07 Pacific time.

12 MR. ABRAMS: Yes, that's fifteen minutes from
13 now.

14 MS. MOON: That's fine.

15 MR. ABRAMS: Okay.

16 (Whereupon a short break was taken.)

17 BY MR. ABRAMS:

18 Q. So, ma'am, is there any of your prior
19 testimony that you want to change or correct?

20 A. No.

21 Q. Okay. And we're very close to being done.
22 I'm going to show you what is Exhibit 6.

23 (Whereupon Plaintiff's Exhibit Z6,
24 Certificate of Completion, was marked for
25 identification.)

JIAQI ZHANG

1 BY MR. ABRAMS:

2 Q. Can you see that?

3 A. Yes.

4 Q. Okay. And do you see that there's a -- like
5 a signature in, like, it would appear to be Chinese
6 characters on this document?

7 A. Yes.

8 Q. And whose signature is that?

9 A. Yeah, that's my signature.

10 Q. Okay. And do you understand that this is a
11 document that's from Umpqua Bank?

12 A. Yes.

13 Q. Okay. So do you understand that this means,
14 at least according to Umpqua Bank, you signed the PPP
15 documents in 2021?

16 MS. MOON: It's a loan approval, it doesn't
17 say it's application.

18 THE WITNESS: It's a loan document.

19 BY MR. ABRAMS:

20 Q. All right, ma'am.

21 A. Yes.

22 Q. I'm just asking you so this -- well, let me
23 ask you this: Does this document refresh your
24 recollection as to whether you signed anything in
25 connection with the PPP loans we've been discussing?

JIAQI ZHANG

1 A. Yeah, like I signed something from the photo,
2 but, yeah, I don't -- I don't remember, like, if it's
3 this one.

4 Q. Okay. So you don't remember -- you know you
5 signed something, but you don't remember what it was,
6 is that what you're testifying to?

7 A. Yeah, I don't remember exactly like what
8 documents, you know, the signature page or -- but I
9 do. I did sign something.

10 Q. All right. And let me just make sure I
11 understand what you're saying, okay? Just kind of
12 sum up your position.

13 If I understand you correctly, you're saying
14 that at the time you applied for these two second
15 draw PPP loans, you were aware that the two companies
16 that received the loans were ultimately owned by of a
17 PRC company --

18 A. Uh-huh (affirmative).

19 Q. -- however, the certification you initialed
20 that we discussed, you were confident that it applied
21 to subsidiaries of the applicant and not to parent
22 companies. Does that adequately summarize your
23 position?

24 A. Yeah, correct.

25 Q. Okay.

JIAQI ZHANG

1 A. You know, the fact -- the fact is that our
2 companies are owned by Chinese entity is a public
3 information. You know, our company doesn't own any
4 Chinese companies. I heard of it, it was like in the
5 news media, it's all over the internet. You can find
6 it everywhere.

7 And our companies are California entities,
8 you know, with California employees. And what do we
9 do is, like, for their benefits and for the hotel,
10 like, which operates here. You know --

11 Q. And --

12 A. So any at the time of the acquisition,
13 there's a lot of places local government and local
14 officers and the mayor, the L.A. County and the
15 Chinese Council all came to our celebrations for the
16 hotel acquisitions. You can find us, like, in the
17 news also. It's not a -- it's like all public
18 information, so I'm not trying to hide anything.

19 Q. I see. And you're just as confident, as you
20 sit here today, of your interpretation of Exhibit 2
21 and Exhibit 3; is that right?

22 A. It's my understanding, yeah.

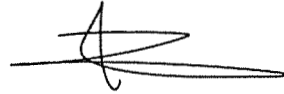
23 MS. MOON: Don't say Exhibit 2 or Exhibit 3,
24 just tell me -- you already asked this question many,
25 many times, but please, just specify what you're

JIAQI ZHANG

PENALTY OF PERJURY

I do declare under penalty of perjury under
the laws of the State of California that the
foregoing is my deposition under oath; are the
questions asked of me and my answers thereof; that I
have read same and have made the necessary
corrections, additions or changes to my answers that
I deem necessary.

In witness whereof I subscribe my name on
this day of 13th, December, 2023.



JIAQI ZHANG

CERTIFICATE OF REPORTER

I, YVONNE M. HARGROVE, a Certified Shorthand
Reporter of the State of California, do hereby
certify:

That I was present at the taking of the
deposition of JIAQI ZHANG, administered the oath to
her, and thereafter correctly took down in machine
shorthand all of the testimony given and proceedings
had;

That I thereafter caused my said shorthand
notes to be reduced to typewriting, and that the
foregoing transcript constitutes a full, true and
correct record of such testimony given and
proceedings had.

I further certify that I am not of counsel or
attorney for any of the parties, nor am I in any way
interested in the outcome of said cause.

IN WITNESS WHEREOF, I have hereunto
subscribed my signature on this 6th day of December,
2023.

YVONNE M. HARGROVE, CSR No. 3354
Certified Shorthand Reporter

CORRECTIONS: JIAQUI (BECKY) ZHANG DEPOSITION TRANSCRIPT 12/1/23

1. Page 9, line 13: Please change "2000—2010" to "2010."
2. Page 11, line 18: please delete "yeah" after "so I - - ."
3. Page 13, line 9: Please delete "states" after "Real Estate."
4. Page 19, line 18: Please delete "In Canada."
5. Page 30, line 1: please change "withdrew" to "went through."
6. Page 33, line 10: Please change "stations" to "statements."
7. Page 35, line 15: Please change "host" to "hold."
8. Page 35, line 22: Please change "or" to "of."
9. Page 42, line 4: Please change "I did" to "that was"
10. Page 60, line 7: Please change "extent" to "exam."
11. Page 72, line 13: Please change "I don't remember, like, I read the whole thing"
To "I don't remember that, like, I read the whole thing."
12. Page 80, line 1: Please change "photo" to "computer."
13. Page 81, line 1: Please change "the fact is that" to "the fact that."
14. Page 81, line 12: Please change "So any at the time of the acquisition" to "So at
the time of the acquisition."

Exhibit F



**Paycheck Protection Program
Second Draw Borrower Application Form**

OMB Control No.: 3245-0417
Expiration Date: 7/31/2021

Check One: Limited Liability Company		DBA or Tradename (if applicable)		Year of Establishment (if applicable)	
				8/27/2013	
Business Legal Name			NAICS Code		
XLD Group LLC			721110		
Business Address (Street, City, State, Zip Code - No P.O. Box addresses allowed)			Business TIN (EIN, SSN)		Business Phone
3635 Fashion WayTorrance, CA, 90503			901014318		4087025813
			Primary Contact		Email Address
			Jiaqi Zhang		beckyzhang@xldnagroup.com
Average Monthly Payroll:	\$883,283.00	x 2.5 (or x 3.5 for NAICS 72 applicants) equals Loan Request Amount (may not exceed \$2,000,000):	\$2,000,000.00	Number of Employees (including affiliates, if applicable; may not exceed 300):	130
Purpose of the loan (select all that apply):	Payroll Costs;Rent / Mortgage Interest				
PPP First Draw SBA Loan Number:	33847871-05				

Reduction in Gross Receipts of at Least 25% (Applicants for loans of \$150,000 or less may leave blank but must provide upon or before seeking loan forgiveness or upon SBA request):	2020 Quarter (e.g., 2Q 2020):	Annual Revenue	Reference Quarter (e.g., 2Q 2019):	Annual Revenue
	Gross Receipts:	\$9,953,017.00	Gross Receipts	\$31,737,344.00

Applicant Ownership

List all owners of 20% or more of the equity of the Applicant. Attach a separate sheet if necessary.

Owner Name	Title	Ownership %	TIN (EIN, SSN)	Address
Jiaqi Zhang	Owner	100.000%	*****8403	315 Deodar Ln Bradbury, CA 91008
XLD Group N.A. Real Estate Development Inc	Owner	95.000%		
Grand Tripod LLC	Owner	5.000%		
Jun Zhang	Owner	100.000%	*****1137	315 Deodor Ln Bradbury, CA 91008

If questions (1), (2), (4), or (5) are answered "Yes," the loan will not be approved.

Question	Yes	No
1. Is the Applicant or any owner of the Applicant presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in this transaction by any Federal department or agency, or presently involved in any bankruptcy?		X
2. Has the Applicant, any owner of the Applicant, or any business owned or controlled by any of them, ever obtained a direct or guaranteed loan from SBA or any other Federal agency that is (a) currently delinquent, or (b) has defaulted in the last 7 years and caused a loss to the government?		X
3. Is the Applicant or any owner of the Applicant an owner of any other business, or have common management (including a management agreement) with any other business? If yes, list all such businesses (including their TINs if available) and describe the relationship on a separate sheet identified as addendum A.		X

ID #: 451

<p>4. Is the Applicant (if an individual) or any individual owning 20% or more of the equity of the Applicant presently incarcerated or, for any felony, presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction?</p> <p>Initial here to confirm your response to question 4 → JZ</p>		X
<p>5. Within the last 5 years, for any felony involving fraud, bribery, embezzlement, or a false statement in a loan application or an application for federal financial assistance, or within the last year, for any other felony, has the Applicant (if an individual) or any owner of the Applicant 1) been convicted; 2) pleaded guilty; 3) pleaded nolo contendere; or 4) commenced any form of parole or probation (including probation before judgment)?</p> <p>Initial here to confirm your response to question 5 → JZ</p>		X
<p>6. Is the United States the principal place of residence for all employees included in the Applicant's payroll calculation above?</p>	X	
<p>7. Is the Applicant a franchise?</p>		X
<p>8. Is the franchise listed in SBA's Franchise Directory? If yes, enter SBA Franchise Identifier Code here:</p>		X



ID #: 452
Paycheck Protection Program
Second Draw Borrower Application Form

By Signing Below, You Make the Following Representations, Authorizations, and Certifications

I certify that:

- I have read the statements included in this form, including the Statements Required by Law and Executive Orders, and I understand them.
- The Applicant is eligible to receive a loan under the rules in effect at the time this application is submitted that have been issued by the Small Business Administration (SBA) and the Department of the Treasury (Treasury) implementing Second Draw Paycheck Protection Program Loans under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (the Paycheck Protection Program Rules).
- The Applicant, together with its affiliates (if applicable), (1) is an independent contractor, self-employed individual, or sole proprietor with no employees; (2) employs no more than 300 employees; or (3) if NAICS 72, employs no more than 300 employees per physical location; (4) if a news organization that is majority owned or controlled by a NAICS code 511110 or 5151 business or a nonprofit public broadcasting entity with a trade or business under NAICS code 511110 or 5151, employs no more than 300 employees per location.
- I will comply, whenever applicable, with the civil rights and other limitations in this form.
- All loan proceeds will be used only for business-related purposes as specified in the loan application and consistent with the Paycheck Protection Program Rules including the prohibition on using loan proceeds for lobbying activities and expenditures. If Applicant is a news organization that became eligible for a loan under Section 317 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, proceeds of the loan will be used to support expenses at the component of the business concern that produces or distributes locally focused or emergency information.
- I understand that SBA encourages the purchase, to the extent feasible, of American-made equipment and products.
- The Applicant is not engaged in any activity that is illegal under federal, state or local law.

For Applicants who are individuals: I authorize the SBA to request criminal record information about me from criminal justice agencies for the purpose of determining my eligibility for programs authorized by the Small Business Act, as amended.

The authorized representative of the Applicant must certify in good faith to all of the below by **initialing** next to each one:

- JZ The Applicant was in operation on February 15, 2020, has not permanently closed, and was either an eligible self-employed individual, independent contractor, or sole proprietorship with no employees, or had employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099-MISC.
- JZ Current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.
- JZ The Applicant has realized a reduction in gross receipts in excess of 25% relative to the relevant comparison time period. For loans greater than \$150,000, Applicant has provided documentation to the lender substantiating the decline in gross receipts. For loans of \$150,000 or less, Applicant will provide documentation substantiating the decline in gross receipts upon or before seeking loan forgiveness for the Second Draw Paycheck Protection Program Loan or upon SBA request.
- JZ The Applicant received a First Draw Paycheck Protection Program Loan and, before the Second Draw Paycheck Protection Program Loan is disbursed, will have used the full loan amount (including any increase) of the First Draw Paycheck Protection Program Loan only for eligible expenses.
- JZ The funds will be used to retain workers and maintain payroll; or make payments for mortgage interest, rent, utilities, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures as specified under the Paycheck Protection Program Rules; I understand that if the funds are knowingly used for unauthorized purposes, the federal government may hold me legally liable, such as for charges of fraud.
- JZ I understand that loan forgiveness will be provided for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, covered utilities, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures, and not more than 40% of the forgiven amount may be for non-payroll costs. If required, the Applicant will provide to the Lender and/or SBA documentation verifying the number of full-time equivalent employees on the Applicant's payroll as well as the dollar amounts of eligible expenses for the covered period following this loan.
- JZ The Applicant has not and will not receive another Second Draw Paycheck Protection Program Loan.
- JZ The Applicant has not and will not receive a Shuttered Venue Operator grant from SBA.
- JZ The President, the Vice President, the head of an Executive department, or a Member of Congress, or the spouse of such person as determined under applicable common law, does not directly or indirectly hold a controlling interest in the Applicant, with such terms having the meanings

- JZ The Applicant is not an issuer, the securities of which are listed on an exchange registered as a national securities exchange under section 6 of the Securities Exchange Act of 1934 (15 U.S.C. 78f).
- JZ The Applicant is not a business concern or entity (a) for which an entity created in or organized under the laws of the People's Republic of China or the Special Administrative Region of Hong Kong, or that has significant operations in the People's Republic of China or the Special Administrative Region of Hong Kong, owns or holds, directly or indirectly, not less than 20 percent of the economic interest of the business concern or entity, including as equity shares or a capital or profit interest in a limited liability company or partnership; or (b) that retains, as a member of the board of directors of the business concern, a person who is a resident of the People's Republic of China.
- JZ The Applicant is not required to submit a registration statement under section 2 of the Foreign Agents Registration Act of 1938 (22 U.S.C. 612).
- JZ The Applicant is not a business concern or entity primarily engaged in political or lobbying activities, including any entity that is organized for research or for engaging in advocacy in areas such as public policy or political strategy or otherwise describes itself as a think tank in any public documents.
- JZ I further certify that the information provided in this application and the information provided in all supporting documents and forms is true and accurate in all material respects. I understand that knowingly making a false statement to obtain a guaranteed loan from SBA is punishable under the law, including under 18 U.S.C. 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 U.S.C. 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a federally insured institution, under 18 U.S.C. 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.
- JZ I acknowledge that the Lender will confirm the eligible loan amount using required documents submitted. I understand, acknowledge, and agree that the Lender can share any tax information that I have provided with SBA's authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of compliance with SBA Loan Program Requirements and all SBA reviews.

Signature of Authorized Representative of Applicant

Date

JIAQI ZHANG

Print Name

Title

Exhibit G



**Paycheck Protection Program
Second Draw Borrower Application Form**

OMB Control No.: 3245-0417
Expiration Date: 7/31/20

ID #: 455

Check One: Limited Liability Company			DBA or Tradename (if applicable)		Year of Establishment (if applicable)	
					8/27/2013	
Business Legal Name			NAICS Code			
XLD Century LLC			721110			
Business Address (Street, City, State, Zip Code - No P.O. Box addresses allowed)			Business TIN (EIN, SSN)		Business Phone	
5855 W Century Blvd Los Angeles, CA, 90045			901085982		4087025813	
			Primary Contact		Email Address	
			Jiaqi Zhang		beckyzhang@xldnagroup.com	
Average Monthly Payroll:	\$2,509,803.00	x 2.5 (or x 3.5 for NAICS 72 applicants) equals Loan Request Amount (may not exceed \$2,000,000):	\$2,000,000.00	Number of Employees (including affiliates, if applicable; may not exceed 300):		147
Purpose of the loan (select all that apply):	Payroll Costs; Rent / Mortgage Interest					
PPP First Draw SBA Loan Number:	2238487106					

Reduction in Gross Receipts of at Least 25% (Applicants for loans of \$150,000 or less may leave blank but must provide upon or before seeking loan forgiveness or upon SBA request):	2020 Quarter (e.g., 2Q 2020):	Annual Revenue	Reference Quarter (e.g., 2Q 2019):	Annual Revenue
	Gross Receipts:	\$24,303,915.00	Gross Receipts	\$76,601,678.00

Applicant Ownership

List all owners of 20% or more of the equity of the Applicant. Attach a separate sheet if necessary.

Owner Name	Title	Ownership %	TIN (EIN, SSN)	Address
Jiaqi Zhang	Owner	%	*****8403	315 Deodar Ln Bradbury, CA 91008

If questions (1), (2), (4), or (5) are answered "Yes," the loan will not be approved.

Question	Yes	No
1. Is the Applicant or any owner of the Applicant presently suspended, debarred, proposed for debarment, declared ineligible, voluntarily excluded from participation in this transaction by any Federal department or agency, or presently involved in any bankruptcy?		X
2. Has the Applicant, any owner of the Applicant, or any business owned or controlled by any of them, ever obtained a direct or guaranteed loan from SBA or any other Federal agency that is (a) currently delinquent, or (b) has defaulted in the last 7 years and caused a loss to the government?		X
3. Is the Applicant or any owner of the Applicant an owner of any other business, or have common management (including a management agreement) with any other business? If yes, list all such businesses (including their TINs if available) and describe the relationship on a separate sheet identified as addendum A.		X
4. Is the Applicant (if an individual) or any individual owning 20% or more of the equity of the Applicant presently incarcerated or, for any felony, presently subject to an indictment, criminal information, arraignment, or other means by which formal criminal charges are brought in any jurisdiction?		X
Initial here to confirm your response to question 4 →	JZ	

GNGH2 550

ID #: 456

<p>5. Within the last 5 years, for any felony involving fraud, bribery, embezzlement, or a false statement in a loan application or an application for federal financial assistance, or within the last year, for any other felony, has the Applicant (if an individual) or any owner of the Applicant 1) been convicted; 2) pleaded guilty; 3) pleaded nolo contendere; or 4) commenced any form of parole or probation (including probation before judgment)?</p> <p>Initial here to confirm your response to question 5 → JZ</p>		X
<p>6. Is the United States the principal place of residence for all employees included in the Applicant's payroll calculation above?</p>	X	
<p>7. Is the Applicant a franchise?</p>		X
<p>8. Is the franchise listed in SBA's Franchise Directory? If yes, enter SBA Franchise Identifier Code here:</p>		X



ID #: 457
Paycheck Protection Program
Second Draw Borrower Application Form

By Signing Below, You Make the Following Representations, Authorizations, and Certifications

I certify that:

- I have read the statements included in this form, including the Statements Required by Law and Executive Orders, and I understand them.
- The Applicant is eligible to receive a loan under the rules in effect at the time this application is submitted that have been issued by the Small Business Administration (SBA) and the Department of the Treasury (Treasury) implementing Second Draw Paycheck Protection Program Loans under Division A, Title I of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (the Paycheck Protection Program Rules).
- The Applicant, together with its affiliates (if applicable), (1) is an independent contractor, self-employed individual, or sole proprietor with no employees; (2) employs no more than 300 employees; or (3) if NAICS 72, employs no more than 300 employees per physical location; (4) if a news organization that is majority owned or controlled by a NAICS code 511110 or 5151 business or a nonprofit public broadcasting entity with a trade or business under NAICS code 511110 or 5151, employs no more than 300 employees per location.
- I will comply, whenever applicable, with the civil rights and other limitations in this form.
- All loan proceeds will be used only for business-related purposes as specified in the loan application and consistent with the Paycheck Protection Program Rules including the prohibition on using loan proceeds for lobbying activities and expenditures. If Applicant is a news organization that became eligible for a loan under Section 317 of the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, proceeds of the loan will be used to support expenses at the component of the business concern that produces or distributes locally focused or emergency information.
- I understand that SBA encourages the purchase, to the extent feasible, of American-made equipment and products.
- The Applicant is not engaged in any activity that is illegal under federal, state or local law.

For Applicants who are individuals: I authorize the SBA to request criminal record information about me from criminal justice agencies for the purpose of determining my eligibility for programs authorized by the Small Business Act, as amended.

The authorized representative of the Applicant must certify in good faith to all of the below by **initialing** next to each one:

- JZ The Applicant was in operation on February 15, 2020, has not permanently closed, and was either an eligible self-employed individual, independent contractor, or sole proprietorship with no employees, or had employees for whom it paid salaries and payroll taxes or paid independent contractors, as reported on Form(s) 1099-MISC.
- JZ Current economic uncertainty makes this loan request necessary to support the ongoing operations of the Applicant.
- JZ The Applicant has realized a reduction in gross receipts in excess of 25% relative to the relevant comparison time period. For loans greater than \$150,000, Applicant has provided documentation to the lender substantiating the decline in gross receipts. For loans of \$150,000 or less, Applicant will provide documentation substantiating the decline in gross receipts upon or before seeking loan forgiveness for the Second Draw Paycheck Protection Program Loan or upon SBA request.
- JZ The Applicant received a First Draw Paycheck Protection Program Loan and, before the Second Draw Paycheck Protection Program Loan is disbursed, will have used the full loan amount (including any increase) of the First Draw Paycheck Protection Program Loan only for eligible expenses.
- JZ The funds will be used to retain workers and maintain payroll; or make payments for mortgage interest, rent, utilities, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures as specified under the Paycheck Protection Program Rules; I understand that if the funds are knowingly used for unauthorized purposes, the federal government may hold me legally liable, such as for charges of fraud.
- JZ I understand that loan forgiveness will be provided for the sum of documented payroll costs, covered mortgage interest payments, covered rent payments, covered utilities, covered operations expenditures, covered property damage costs, covered supplier costs, and covered worker protection expenditures, and not more than 40% of the forgiven amount may be for non-payroll costs. If required, the Applicant will provide to the Lender and/or SBA documentation verifying the number of full-time equivalent employees on the Applicant's payroll as well as the dollar amounts of eligible expenses for the covered period following this loan.
- JZ The Applicant has not and will not receive another Second Draw Paycheck Protection Program Loan.
- JZ The Applicant has not and will not receive a Shuttered Venue Operator grant from SBA.
- JZ The President, the Vice President, the head of an Executive department, or a Member of Congress, or the spouse of such person as determined under applicable common law, does not directly or indirectly hold a controlling interest in the Applicant, with such terms having the meanings

- JZ The Applicant is not an issuer, the securities of which are listed on an exchange registered as a national securities exchange under section 6 of the Securities Exchange Act of 1934 (15 U.S.C. 78f).
- JZ The Applicant is not a business concern or entity (a) for which an entity created in or organized under the laws of the People's Republic of China or the Special Administrative Region of Hong Kong, or that has significant operations in the People's Republic of China or the Special Administrative Region of Hong Kong, owns or holds, directly or indirectly, not less than 20 percent of the economic interest of the business concern or entity, including as equity shares or a capital or profit interest in a limited liability company or partnership; or (b) that retains, as a member of the board of directors of the business concern, a person who is a resident of the People's Republic of China.
- JZ The Applicant is not required to submit a registration statement under section 2 of the Foreign Agents Registration Act of 1938 (22 U.S.C. 612).
- JZ The Applicant is not a business concern or entity primarily engaged in political or lobbying activities, including any entity that is organized for research or for engaging in advocacy in areas such as public policy or political strategy or otherwise describes itself as a think tank in any public documents.
- JZ I further certify that the information provided in this application and the information provided in all supporting documents and forms is true and accurate in all material respects. I understand that knowingly making a false statement to obtain a guaranteed loan from SBA is punishable under the law, including under 18 U.S.C. 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 U.S.C. 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a federally insured institution, under 18 U.S.C. 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.
- JZ I acknowledge that the Lender will confirm the eligible loan amount using required documents submitted. I understand, acknowledge, and agree that the Lender can share any tax information that I have provided with SBA's authorized representatives, including authorized representatives of the SBA Office of Inspector General, for the purpose of compliance with SBA Loan Program Requirements and all SBA reviews.

JIAQI ZHANG

**

Signature of Authorized Representative of Applicant_____
Date

JIAQI ZHANG

Print Name_____
Title

Exhibit H

From: [Becky Zhang](#)
To: [Amanda Jay](#)
Subject: Re: XLD Group LLC - Second Draw Loan
Date: Monday, April 5, 2021 2:28:43 PM
Attachments: [image002.png](#)
[ITIN - Zhang Jun.pdf](#)

[External Email]

Hi Amanda,

Please provide the individual owners (Beneficial Owners) of the listed Principal-Business, XLD Group N.A. Real Estate Development Inc., that owns 95% interest in XLD Group LLC. Provide the full names of the Beneficial Owners, full address, SSN's, and percentage of ownership in the Principal-Business. Provide a statement if any of the individual Beneficial Owners have a prior criminal record, if so, provide the violation, date, and final adjudication. Provide a statement if any of the individual Beneficial Owners have a prior bankruptcy or are currently in bankruptcy, if so, provide the type/chapter, date, and final determination. If the ownership structure involves multiple layers of corporations, partnerships and/or trust please provide a detailed lineage of the ownership until it arrives at the Beneficial Owners (Individual(s)/ Person(s). The Beneficial Owners have to be checked for prior/current criminal record(s) and prior/ current bankruptcy(s).

1. Individual owner of XLD Group N.A. Real Estate Development Inc:

Please find attached ITIN – Jun Zhang

2. Jun Zhang owns 100% of XLD Group N.A. Real Estate Development, Inc. He doesn't have any criminal record.

3. Contact info for Jun Zhang:

- a. Home address: [315 Deodar Ln., Bradbury, CA 91008](#)
- b. Telephone: 626-716-5663
- c. Email: junzhang@xldnagroup.com
- d. DOB: Feb 26, 1962

Please let me know if there's any further information you need. Thanks.

Becky Zhang

..... *Vice President*

XLD Group N.A.

Real Estate Development, Inc.

2700 E Foothill Blvd, Suite 305,
Pasadena, CA 91107
Cell: 626-716-5663
Tel: [626-803-5588](tel:626-803-5588)

From: Amanda Jay <AmandaJay@umpquabank.com>

Date: Monday, April 5, 2021 at 13:40

To: Becky Zhang <beckyzhang@XLDNAGROUP.COM>

Exhibit I



1/7/2022

RE: Your loan account ending in XXXXX5539
XLD Group LLC

Hello from Umpqua,

We have important information regarding your loan account.

What's happening

We received payment from the U.S. Small Business Administration ("SBA") for your Paycheck Protection Program ("PPP") loan forgiveness of \$2,012,547.95 (principal and interest), which will be applied toward your above referenced SBA PPP loan.

If the payment fully satisfies your loan obligation, you will receive a notice to that effect and your Note, stamped "Paid in Full", will be uploaded to the PPP Loan Portal for your records.

If a balance remains on your PPP loan, you will receive a loan statement which will provide you information about your monthly payment, due date and maturity date. Any remaining PPP loan balance may be the result of the forgiven amount being less than your PPP loan amount or other adjustments made by the SBA.

Notices regarding either the payoff or remaining balance of your PPP loan will be sent to the mailing address we have on file.

You may also choose to repay the full balance of the remaining principal and accrued interest at any time without prepayment penalty.

If your original loan amount was \$150,000 or less [except for those borrowers that together with their affiliates received loans of \$2 million or greater], you must retain records relevant to the loan forgiveness application that prove compliance with the requirements of Section 7(a)(36) and Section 7A of the Small Business Act—with respect to employment records, for the 4-year period following submission of the loan forgiveness application, and with respect to other records, for the 3-year period following submission of the loan forgiveness application.

If your original loan amount was greater than \$150,000, you must retain all records relating to your PPP loan for six years from the date the loan is forgiven or repaid in full.

THIS DOCUMENT IS A NOTICE OF PAYMENT ONLY. ISSUANCE OF THIS NOTICE OF PAYMENT DOES NOT PROVIDE THE BORROWER WITH A RIGHT TO APPEAL TO THE SBA OFFICE OF HEARINGS AND APPEALS.

We are here to help

If you have any questions or wish to pay the remaining balance in full, please contact SBACares@umpquabank.com or call 833-898-0979 (option 9).

Umpqua Bank

Exhibit J



12/16/2021

RE: Your loan account ending in XXXXX6622
XLD Century LLC

Hello from Umpqua,

We have important information regarding your loan account.

What's happening

We received payment from the U.S. Small Business Administration ("SBA") for your Paycheck Protection Program ("PPP") loan forgiveness of \$2,013,808.22 (principal and interest), which will be applied toward your above referenced SBA PPP loan.

If the payment fully satisfies your loan obligation, you will receive a notice to that effect and your Note, stamped "Paid in Full", will be uploaded to the PPP Loan Portal for your records.

If a balance remains on your PPP loan, you will receive a loan statement which will provide you information about your monthly payment, due date and maturity date. Any remaining PPP loan balance may be the result of the forgiven amount being less than your PPP loan amount or other adjustments made by the SBA.

Notices regarding either the payoff or remaining balance of your PPP loan will be sent to the mailing address we have on file.

You may also choose to repay the full balance of the remaining principal and accrued interest at any time without prepayment penalty.

If your original loan amount was \$150,000 or less [except for those borrowers that together with their affiliates received loans of \$2 million or greater], you must retain records relevant to the loan forgiveness application that prove compliance with the requirements of Section 7(a)(36) and Section 7A of the Small Business Act—with respect to employment records, for the 4-year period following submission of the loan forgiveness application, and with respect to other records, for the 3-year period following submission of the loan forgiveness application.

If your original loan amount was greater than \$150,000, you must retain all records relating to your PPP loan for six years from the date the loan is forgiven or repaid in full.

THIS DOCUMENT IS A NOTICE OF PAYMENT ONLY. ISSUANCE OF THIS NOTICE OF PAYMENT DOES NOT PROVIDE THE BORROWER WITH A RIGHT TO APPEAL TO THE SBA OFFICE OF HEARINGS AND APPEALS.

We are here to help

If you have any questions or wish to pay the remaining balance in full, please contact SBACares@umpquabank.com or call 833-898-0979 (option 9).

Umpqua Bank

Exhibit K



SBA Procedural Notice

TO: All SBA Employees and Paycheck Protection Program Lenders

CONTROL NO.: 5000-20091

SUBJECT: Second Updated Paycheck Protection Program Lender Processing Fee Payment and 1502 Reporting Process

EFFECTIVE: February 8, 2021

The purpose of this Notice is to update SBA Procedural Notice 5000-20036, effective July 13, 2020, which informs Paycheck Protection Program (PPP) Lenders of the reporting process through which PPP Lenders will report on PPP loans and collect the processing fee on fully disbursed loans that they are eligible to receive. This update addresses changes made by the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (P.L. 116-260), including new First Draw PPP Loans and Second Draw PPP Loans.

What is the PPP processing fee that SBA will pay to Lenders?

For First Draw PPP Loans made before December 27, 2020, including authorized increases on those First Draw PPP Loans,¹ SBA will pay Lenders fees for processing the loans in the following amounts:

- Five (5) percent for loans of not more than \$350,000;
- Three (3) percent for loans of more than \$350,000 and less than \$2,000,000; and
- One (1) percent for loans of at least \$2,000,000.

For First Draw PPP Loans made on or after December 27, 2020, SBA will pay Lenders fees for processing those loans in the loans in the following amounts:

- Fifty (50) percent or \$2,500, whichever is less, for loans of not more than \$50,000;
- Five (5) percent for loans of more than \$50,000 and not more than \$350,000;
- Three (3) percent for loans of more than \$350,000 and less than \$2,000,000; and
- One (1) percent for loans of at least \$2,000,000.

¹ See, SBA Procedural Notice 5000-20076, First Draw Paycheck Protection Program Loan Increases After Enactment of the Economic Aid Act, issued on January 13, 2021, for specific information regarding payment of processing fees on authorized loan increases.

For Second Draw PPP Loans, SBA will pay Lenders fees for processing those loans in the following amounts:

- Fifty (50) percent or \$2,500, whichever is less, for loans of not more than \$50,000;
- Five (5) percent for loans of more than \$50,000 and not more than \$350,000; and
- Three (3) percent for loans above \$350,000.

Under 15 U.S.C. § 636(a)(36)(P) and 15 U.S.C. § 636(a)(37)(L), all processing fees are based on the balance of the PPP loan outstanding at the time of full disbursement of the loan.

How can Lenders request payment of PPP processing fees?

When a PPP Lender successfully reports to SBA that a First Draw PPP Loan or Second Draw PPP Loan has been fully disbursed, SBA will initiate the process of paying the PPP processing fee that the PPP Lender is eligible to receive. Lenders will use an SBA Form 1502 (1502 report) to report fully disbursed loans to SBA (the process of which is outlined in this Notice below).

Additionally, in the Lender's Fiscal Transfer Agent (FTA) Lender portal, the Lender must have provided ACH credit information for an account owned by the Lender and must make a one-time confirmation² that all PPP loans for which the Lender will be requesting a processing fee have been fully disbursed on the disbursement dates and in the loan amounts reported.

Upon receipt of a complete set of SBA Form 1502 data, SBA will:

- Except for authorized increases on First Draw PPP Loans, confirm that no previous request has been made for a processing fee on the loan, and no processing fee payment has been made previously by SBA on the loan.
- Confirm that the disbursed amount reported on the 1502 report matches the approval amount in E-Tran.
- Calculate the processing fee owed based on the final fully disbursed amount entered by the Lender.
- Submit the fee calculated by SBA to the Lender using the ACH credit information provided by the Lender.

How do Lenders create an account (i.e., enroll) in the FTA's Lender Portal?

Before Lenders can receive a PPP processing fee or begin monthly loan reporting, they must establish a Lender portal account with the FTA to access the 1502 Dashboard.

Existing SBA Lenders with SBA Form 750 agreements will access the 1502 Dashboard with their current FTA Lender portal account. **Lenders must use separate 1502 reports for PPP**

² Pursuant to SBA Procedural Notice 5000-20076, by submitting a 1502 report on a First Draw PPP Loan or a Second Draw PPP Loan on or after January 13, 2021, any Lender that submitted a 1502 report for a PPP loan before January 13, 2021 agrees to a revision to the one-time confirmation previously made by the Lender.

loans (including both First Draw PPP Loans and Second Draw PPP Loans) and regular 7(a) loans.

PPP Lenders who do not already have an account with the FTA can enroll by sending an email to Enrollment@colsonservices.com that contains the following:

- Name of Institution;
- At least two of the following:
 - E-Tran Main Location ID (CAFS Location ID under which loans were originated);
 - One of SBA's PPP GP loan numbers; and
 - Colson Lender ID (if known);
- Individual user contact information:
 - Name;
 - Email address; and
 - Phone number.

Lender Service Providers: Lender Service Providers (LSPs) providing services for PPP Lenders under a reviewed LSP agreement who do not already have an account with the FTA can enroll by sending an email to Enrollment@colsonservices.com that contains the following:

- Name of LSP;
- LSP CAFS Partner ID;
- Individual user contact information:
 - Name;
 - Email address; and
 - Phone number;

For each bank partner, provide the information below:

- Bank partner's information:
 - Bank name;
 - E-Tran Main Location ID
- One of SBA's PPP GP loan numbers;
- Colson Lender ID (if known);
- Bank Authorizing Official
 - Name;
 - Email address; and
 - Phone number.

Upon receipt of a complete enrollment email, the FTA will send login credentials consisting of a 1502 Dashboard User ID and Access Code. The User ID and Access Code will be sent in separate e-mails.

Once the Lender has successfully logged into its Lender portal account, the Lender must provide the ACH credit information for the account where the Lender wishes to receive PPP processing fees. The ACH credit information must be for an account owned by the Lender. SBA will not make any payments to LSPs.

A Lender portal user guide is available at https://colsonservices.bnymellon.com/_locale-assets/pdf/1502-dashboard-user-guide.pdf. Questions on the enrollment process may be directed to Colson Customer Service at 877-245-6159.

May Lenders or LSPs share login credentials for the FTA Lender Portal?

No. Login credentials for the 1502 Dashboard are issued at the individual user level and may not be shared among users.

How do Lenders report to SBA on loans that are fully disbursed?

Lenders must report First Draw PPP Loans and Second Draw PPP Loans that have been fully disbursed to SBA via SBA Form 1502 (1502 report). Lenders must electronically submit SBA Form 1502 reporting information to the SBA within 10 calendar days after disbursement of a PPP loan.³ Thereafter, Lenders must submit PPP loan information to SBA on a monthly basis.

SBA Form 1502 is a spreadsheet containing identifying information for each PPP loan. An SBA Form 1502 spreadsheet is available at https://colsonservices.bnymellon.com/_locale-assets/xls/sba-form-1502-blank-template.xlsx.

Lenders may submit the 1502 report to SBA using any of the following methods:

- Email the 1502 spreadsheet to 1502@colsonservices.com;
- Upload the 1502 spreadsheet (“e-File”) in 1502 Dashboard; or
- Deliver the 1502 spreadsheet via Secure File Transfer Protocol (SFTP) – Requires additional enrollment. Lenders should email SFTPassess@colsonservices.com for additional instructions.

Lenders may batch multiple PPP loans in a single 1502 report, or Lenders may complete a 1502 report on an individual PPP loan basis. There is no limit on how frequently Lenders can submit 1502 reports.

Important: Lenders must use separate 1502 reports for PPP loans (including both First Draw PPP Loans and Second Draw PPP Loans) and regular 7(a) loans.

After receiving the 1502 report, the FTA will notify the Lender of any errors through 1502 Dashboard exception reporting. Lenders should monitor the 1502 Dashboard daily. The Lender will have until 5:00 p.m. Eastern on the second business day after submitting the 1502 report to correct any errors within the 1502 Dashboard. On the third business day after receiving the 1502 report, and provided that the ACH information and one-time lender confirmation have been entered, SBA will initiate the process for payment of the processing fee to the Lender.

How do Lenders report a PPP loan as fully disbursed on the 1502 report?

Lenders must submit a complete and accurate 1502 report. Each of the fields on the 1502 report is described below:

³ If the tenth calendar day is a Saturday, Sunday, or legal holiday, the period continues to run until the end of the next business day.

- **SBA GP Number:** The 10 digit numerical SBA assigned loan identification number. The GP number is the key to identifying Paycheck Protection Program (PPP) loans on the SBA's and the FTA's databases. If less than 10 digits are reported, the disbursement information cannot be processed.
- **Lender Loan Number:** The Lender's loan identification number; that is, the number the Lender has assigned to the loan. This field is optional.
- **Next Installment Due Date:** The date the borrower is scheduled to make its first payment following the Program's automatic deferment period. As a placeholder, this date should be listed as sixteen months from the date of loan disbursement. After SBA remittance of any partial forgiveness payment or SBA notice that no forgiveness is allowed, the deferment period ends and the Lender must update this date to correspond to the first payment due date the Lender provides to the borrower.
- **Status:** Leave blank
- **Amount Disbursed this Period on Total Loan:** The total amount disbursed on the loan. PPP loans must be fully disbursed, and the amount reported in this field must match the loan approval amount in SBA's electronic system.
- **Amount Undisbursed on Total Loan:** PPP loans must be fully disbursed. Enter \$0.00.
- **Interest Rate:** All PPP loans have an interest rate of 1 percent. Enter 1% or leave blank.
- **Guar. Portion Interest:** Enter \$0.00.
- **Guar. Portion Principal:** Enter \$0.00.
- **Total to FTA:** Enter \$0.00. There are no Guar. Portion Payments or SBA ongoing servicing fees on PPP loans.
- **Interest Period From:** Leave Blank.
- **Interest Period To:** Report the date interest accrues from (e.g., one-time, full disbursement date or first disbursement date, if applicable) in this column.
- **# of Days:** Leave Blank.
- **Calendar Basis:** Leave Blank.
- **Guar. Portion Closing Balance:** The balance outstanding after the full disbursement. This amount should be equal to the Amt Disbursed this Period on Total Loan. PPP loans are 100% guaranteed by SBA and must be fully disbursed.
- **Remittance Penalty:** Enter \$0.00. There are no SBA Subsidy Recoupment Fees or Late Penalties for PPP loans.

How do Lenders report authorized loan increases on First Draw PPP Loans on the 1502 report?

Lenders that make authorized increases on First Draw PPP Loans should report those increases on the 1502 report by following the instructions in SBA Procedural Notice 5000-20076, First Draw Paycheck Protection Program Loan Increases After Enactment of the Economic Aid Act, issued on January 13, 2021.

How do Lenders report a PPP loan as cancelled in E-Tran Servicing?

Lenders must request access to E-Tran Servicing in their <https://caweb.sba.gov> account (which is different than the FTA Lender portal account) through the Lender's authorizing official.

From E-Tran Servicing, search for the SBA loan number.

Once the loan number comes up, click on the cancel button at the top of the page. This will cancel the loan and the loan guaranty. Questions on cancellations can be emailed to 7aQuestions@sba.gov.

How do Lenders report a PPP loan as voluntarily terminated and repaid after disbursement on the 1502 report?

From E-Tran Servicing, search for the SBA loan number.

Once the loan number comes up, click on the voluntary termination button at the top of the page. This will terminate the loan guaranty. Questions on voluntary termination can be emailed to: For the Fresno Servicing Center: fsc.servicing@sba.gov; for the Little Rock Servicing Center: lrsc.servicing@sba.gov.⁴

What confirmation must the Lender make before receiving PPP processing fees?

Lenders must make a one-time confirmation in the Lender's FTA Lender portal before SBA will disburse PPP processing fees to Lender. Lenders will confirm the following:

By checking the "I confirm" box below, the Lender is agreeing that for each SBA Form 1502 report submitted by Lender to request payment of First Draw Loan or Second Draw Loan Paycheck Protection Program (PPP) processing fees, Lender confirms that:

- (1) except for any First Draw Loan included in the report that has been or may be increased, (a) all First Draw Loans and Second Draw Loans included in the report were fully disbursed to the borrowers on the disbursement dates entered and in the loan amounts entered in the report, and (b) Lender will make no further disbursements on the First Draw Loans and Second Draw Loans included in the report;
- (2) for any First Draw Loan included in the report that has been or may be increased, (a) Lender approved the increase in accordance with PPP requirements, (b) Lender has fully disbursed the increased amount to the borrower on the disbursement date entered and in the amount entered in the report, and (c) Lender will make no further disbursement on the First Draw Loan;
- (3) all information in the report is true and correct; and
- (4) the report has been submitted by an authorized employee or agent of Lender acting within the scope of Lender's authority and Lender acknowledges responsibility for all entries and certifications made on its behalf.

⁴ The geographic coverage of the Fresno Servicing Center is SBA Regions 5, 6 (except for Arkansas, Oklahoma and Texas) 7, 8, 9, and 10. The geographic coverage of the Little Rock Servicing Center is SBA Regions 1, 2, 3, 4, and 6 (except New Mexico and Louisiana).

When won't a Lender receive a processing fee?

A Lender will not receive a processing fee:

- Prior to full disbursement of the PPP loan; or
- If the PPP loan is cancelled before disbursement; or
- If the PPP loan is cancelled or voluntarily terminated and repaid after disbursement (including if a borrower repays the PPP loan proceeds to conform to the borrower's certification regarding the necessity of the PPP loan request).⁵

How will SBA disburse the processing fee to Lenders?

SBA will make PPP processing fee payments to Lenders using the Demand Deposit Account ACH information supplied by Lenders on the FTA's website. SBA will make a payment for each loan on an individual basis so that Lenders will be able to match the received payment with the corresponding loan. Each disbursement will be made by ACH CCD+, and the addenda record will use the structured layout that is available in the Downloads section of the FTA's website. This structured layout includes payment details that Lenders can use for automating the posting of these payments to the Lender's record system. For Lenders unable to automate the posting of these payments, the record layout should be referenced to determine what the payment is for when posting the payment manually.

Will SBA review the payment of Lender processing fees?

SBA may review the payment of Lender processing fees at the time of forgiveness purchase or at any other time SBA deems appropriate. If SBA determines the fee was paid erroneously or in the incorrect amount, Lender is responsible for repaying the fee to SBA.

Are Lender processing fees subject to claw back if a Lender has not fulfilled its obligations under PPP regulations?

A lender is required to repay the processing fee to SBA if a lender is found guilty of an act of fraud in connection with the PPP loan. In such case, the PPP loan is not eligible for a guaranty.

Is a Lender responsible for the actions of its Lender Service Provider (LSP)?

If the Lender authorizes an Agent or Lender Service Provider (as those terms are defined in [13 CFR § 103.1](#)) to submit any information or make any entries or certifications on the Lender's behalf for any purpose through the 1502 Dashboard or through any other method of 1502 reporting, the Lender acknowledges that the Agent or LSP is acting within the scope of Lender's authority and Lender acknowledges responsibility for all information submitted and entries and certifications made on its behalf.

⁵ If the Lender has received a processing fee on a loan that was cancelled or voluntarily terminated and repaid after disbursement (including if a borrower repaid the PPP loan proceeds to conform to the borrower's certification regarding the necessity of the PPP loan request), SBA will not require the Lender to repay the processing fee unless the Lender is found guilty of an act of fraud in connection with the PPP loan.

When a loan is sold, which Lender is responsible for 1502 reporting to SBA?

When a PPP Lender sells all of its interest in a PPP loan to another participating Lender, in bulk or individually, SBA will send the processing fee to the originating PPP Lender.⁶ The Lender making the disbursement is responsible for completing and submitting the initial 1502 report on loan disbursement. The purchasing Lender will be the party responsible to SBA with respect to all servicing actions, including monthly 1502 reporting and requests for loan forgiveness, and will be the party eligible for the guaranty purchase of a PPP loan.

What are the ongoing reporting requirements for PPP loans?

Lenders must electronically submit SBA Form 1502 reporting information to the SBA within 10 calendar days after disbursement of a PPP loan. After submitting the initial SBA Form 1502 report, Lenders must submit PPP loan information to SBA on a monthly basis.

Lenders must provide monthly 1502 reports that include loan status information for their PPP loans regardless of whether the borrower made a payment in the current month. (All PPP loans are deferred.)⁷ Lenders must continue reporting on a loan until the Lender notifies SBA that the loan has been paid in full.

After a Lender reports a loan as fully disbursed, the Lender must submit monthly PPP 1502 reports on or before the 15th of each month, or if the 15th is not a business day, on the next business day after the 15th. Lenders must continue to use separate 1502 reports for PPP loans (including both First Draw PPP Loans and Second Draw PPP Loans) and regular 7(a) loans. The regular 7(a) loan 1502 report and payment due dates for calendar year 2021 remain unchanged, as published in SBA Information Notice 5000-20066 issued December 4, 2020.

After a Lender receives a PPP forgiveness remittance from SBA, if no loan balance remains, the Lender must report the PPP loan as paid in full on the next SBA Form 1502 report. If a loan balance remains after a Lender receives a PPP forgiveness remittance from SBA, the Lender must report the reduction in the loan balance for the forgiveness amount on the next SBA Form 1502 report and must service the remaining balance of the loan in accordance with PPP requirements. The Lender must wait to receive the PPP forgiveness remittance from SBA before submitting a 1502 report showing the PPP loan as paid in full or a balance reduction due to forgiveness. Premature 1502 reporting of forgiveness will cause the Lender's forgiveness remittance from SBA, if any, to fail validation.

Note: A PPP loan should not be reported as "paid in full" simply because it has been transferred to another Lender.

⁶ As discussed in [SBA Procedural Notice 5000-20076](#), processing fees on authorized loan increases will be paid to the originating PPP Lender.

⁷ The deferment period runs until (i) the date that SBA remits the forgiveness amount (or notifies the Lender that the borrower is not eligible for forgiveness) or (ii) for a borrower that does not submit a timely forgiveness application, 10 months after the end of the loan forgiveness covered period.

How do Lenders report a change in the maturity of a PPP loan?

For PPP loans made before June 5, 2020, the maturity is two years; however, borrowers and Lenders may mutually agree to extend the maturity of such loans to five years. Lenders must report any such change in the maturity of a PPP loan through E-Tran Servicing.

Questions

Questions concerning this Notice may be directed to the Lender Relations Specialist in the [local SBA Field Office](#).

Dianna L. Seaborn
Director
Office of Financial Assistance

Exhibit L



California Secretary of State

Business Programs Division

1500 11th Street, Sacramento, CA 95814

Request Type: Certified Copies

Entity Name: XLD GROUP N.A. REAL ESTATE
DEVELOPMENT, INC.

Formed In: CALIFORNIA

Entity No.: 3579106

Entity Type: Stock Corporation - CA - General

Issuance Date: 12/14/2023

Copies Requested: 1

Receipt No.: 005744147

Certificate No.: 165998236

Document Listing

Reference #	Date Filed	Filing Description	Number of Pages
4059048-1	06/18/2013	Initial Filing	1
4059050-1	02/08/2022	Statement of Information	3
B1565-4156	03/07/2023	Statement of Information	2

** **** ***** ***** End of list ***** ***** **** **

I, SHIRLEY N. WEBER, PH.D., California Secretary of State, do hereby certify on the Issuance Date, the attached document(s) referenced above are true and correct copies and were filed in this office on the date(s) indicated above.



IN WITNESS WHEREOF, I execute this
certificate and affix the Great Seal of the
State of California on December 14, 2023.

SHIRLEY N. WEBER, PH.D.
Secretary of State

To verify the issuance of this Certificate, use the Certificate No. above with the Secretary of State Certification Verification Search available at bizfileOnline.sos.ca.gov.

Exhibit M



California Secretary of State

Business Programs Division

1500 11th Street, Sacramento, CA 95814

Request Type: Certified Copies

Entity Name: GRAND TRIPOD LLC

Formed In: CALIFORNIA

Entity No.: 201713610072

Entity Type: Limited Liability Company - CA

Issuance Date: 12/09/2023

Copies Requested: 1

Receipt No.: 005713688

Certificate No.: 164901322

Document Listing

Reference #	Date Filed	Filing Description	Number of Pages
40005060-1	05/15/2017	Initial Filing	1
40005065-1	07/11/2017	Statement of Information	2
B1462-6216	02/01/2023	Statement of Information	2

** **** ***** ***** End of list ***** ***** **** **

I, SHIRLEY N. WEBER, PH.D., California Secretary of State, do hereby certify on the Issuance Date, the attached document(s) referenced above are true and correct copies and were filed in this office on the date(s) indicated above.



IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California on December 09, 2023.

SHIRLEY N. WEBER, PH.D.
Secretary of State

To verify the issuance of this Certificate, use the Certificate No. above with the Secretary of State Certification Verification Search available at bizfileOnline.sos.ca.gov.

Exhibit N

Yael Lerman, Esq.(California Bar # 281311)
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UNITED STATES DISTRICT COURT FOR
THE CENTRAL DISTRICT OF CALIFORNIA

United States ex rel. GNGH2 Inc.)	Case No.: 2:22-cv-05514-SB(PVCx)
)	
Plaintiff,	)	<u>Plaintiff-Relator's First Request for</u>
	)	<u>Admissions</u>
vs.)	
XLD CENTURY LLC and XLD)	
GROUP LLC,)	
)	
Defendant(s))	

Pursuant to Rule 36 of the Federal Rules of Civil Procedure, Plaintiff-Relator requests that Defendants admit, for purposes of the pending action only, the truth of the following matters.

DEFINITIONS AND INSTRUCTIONS

Please use the following definitions and comply with the following instructions in responding to this request for admissions.

Complaint The term "Complaint" refers to the Complaint in this matter.

1 Disaster Relief The term "Disaster Relief" refers to forgivable loans referred to in
2 Paragraph 13 of the Complaint.

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4 Applicable Disaster Relief: The term "Applicable Disaster Relief" means the Disaster Relief
5 which concerns a particular Defendant. For Defendant XLD Century LLC, the Applicable
6 Disaster Relief is the following:

Name	Date	Loan Number	Amount	Forgiven
XLD Century	3/30/2021	2613428708	\$2,000,000	12/15/2021

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10 For Defendant XLD Group LLC, the Applicable Disaster Relief is the following:

Name	Date	Loan Number	Amount	Forgiven
XLD Group	5/18/2021	2870209001	\$2,000,000	1/6/2022

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15 Form 2483-SD The term "Form 2483-SD" means any application form, whether in paper
16 or electronic form, used by either Defendant in this matter in connection with application for the
17 Applicable Disaster Relief
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21 PRC Certification The term "PRC Certification" refers to any statement or certification
22 contained in Form 2483-SD which either states as follows or is substantially similar to the
23 following:

24 The Applicant is not a business concern or entity (a) for which an entity created in or
25 organized under the laws of the People's Republic of China or the Special Administrative
26 Region of Hong Kong, or that has significant operations in the People's Republic of
China or the Special Administrative Region of Hong Kong, owns or holds, directly or

1 indirectly, not less than 20 percent of the economic interest of the business concern or
2 entity, including as equity shares or a capital or profit interest in a limited liability
3 company or partnership; or (b) that retains, as a member of the board of directors of the
4 business concern, a person who is a resident of the People's Republic of China.

5 Eligibility Certification: The term "Eligibility Certification" refers to any statement or
6 certification contained in Form 2483-SD which either states as follows or is substantially similar
7 to the following:

8 The Applicant is eligible to receive a loan under the rules in effect at the time this
9 application is submitted that have been issued by the Small Business Administration
10 (SBA) and the Department of the Treasury (Treasury) implementing Second Draw
11 Paycheck Protection Program Loans under Division A, Title I of the Coronavirus Aid,
12 Relief, and Economic Security Act (CARES Act) and the Economic Aid to Hard-Hit
13 Small Businesses, Nonprofits, and Venues Act (the Paycheck Protection Program Rules).

14 SBA: The term "SBA" refers to the United States Small Business Administration.

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16 Manifest Assent: To "Manifest Assent" means to initial, sign, check a box, or otherwise
17 explicitly manifest assent to or agreement with a statement whether done on paper or
18 electronically. An incorporated entity such as a corporation or limited liability company
19 manifests assent through an authorized representative.

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21 Sign: To "sign" a document means to execute the document by any means, including physical
22 ink signatures, electronic signatures, or otherwise to Manifest Assent to the document and to
23 submit the document by any means, including physical transmission, internet transmission, or
24 otherwise. An incorporated entity such as a corporation or limited liability company signs
25 through an authorized representative.
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Requests for Admission

1. The document attached hereto is a true copy of a document produced and distributed by the SBA.
2. The document attached hereto states that for second-draw PPP loans in excess of \$350,000, the SBA will pay processing fees of 3%.
3. In connection with the Disaster Relief, the SBA paid processing fees of 3%.
4. In connection with the Disaster Relief, the SBA paid processing fees of \$60,000 (sixty thousand dollars) with respect to each of the two loans which comprise the Disaster Relief.

1 5. Apart from any processing fees, the United States paid \$2,000,000 (two million
2 dollars) in connection with the Applicable Disaster Relief of each Defendant.

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6 6. The payments referred to in Request for Admission Number 5 would not have
7 been made had the Defendants not applied for and received the Disaster Relief.

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16 7. In connection with the Applicable Disaster Relief, each Defendant in this matter
17 Signed Form 2483-SD.

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24 8. For each Defendant in this matter, Form 2483-SD contained an Eligibility
25 Certification.

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5 9. For each Defendant in this matter, Form 2483-SD contained a PRC Certification.
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12 10. Each Defendant in this matter Signed Form 2483-SD in order to receive the
13 Applicable Disaster Relief.
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20 11. Each Defendant in this matter would not have received the Applicable Disaster
21 Relief if it had not Signed Form 2483-SD as set forth in Request for Admission
22 Number 10.
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13. Each Defendant in this matter would not have received the Applicable Disaster Relief had it not Manifested Assent to a PRC Certification.

14. For each Defendant, the applicable payment referred to in Request for Admission Number 5 would not have been made if such Defendant had not Manifested Assent to a PRC Certification.

Done N B5

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Dated: November 21, 2023
Delhi, New York



SBA Procedural Notice

TO: All SBA Employees and Paycheck Protection Program Lenders

CONTROL NO.: 5000-20091

SUBJECT: Second Updated Paycheck Protection Program Lender Processing Fee Payment and 1502 Reporting Process

EFFECTIVE: February 8, 2021

The purpose of this Notice is to update SBA Procedural Notice 5000-20036, effective July 13, 2020, which informs Paycheck Protection Program (PPP) Lenders of the reporting process through which PPP Lenders will report on PPP loans and collect the processing fee on fully disbursed loans that they are eligible to receive. This update addresses changes made by the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act (P.L. 116-260), including new First Draw PPP Loans and Second Draw PPP Loans.

What is the PPP processing fee that SBA will pay to Lenders?

For First Draw PPP Loans made before December 27, 2020, including authorized increases on those First Draw PPP Loans,¹ SBA will pay Lenders fees for processing the loans in the following amounts:

- Five (5) percent for loans of not more than \$350,000;
- Three (3) percent for loans of more than \$350,000 and less than \$2,000,000; and
- One (1) percent for loans of at least \$2,000,000.

For First Draw PPP Loans made on or after December 27, 2020, SBA will pay Lenders fees for processing those loans in the loans in the following amounts:

- Fifty (50) percent or \$2,500, whichever is less, for loans of not more than \$50,000;
- Five (5) percent for loans of more than \$50,000 and not more than \$350,000;
- Three (3) percent for loans of more than \$350,000 and less than \$2,000,000; and
- One (1) percent for loans of at least \$2,000,000.

¹ See, SBA Procedural Notice 5000-20076, First Draw Paycheck Protection Program Loan Increases After Enactment of the Economic Aid Act, issued on January 13, 2021, for specific information regarding payment of processing fees on authorized loan increases.

For Second Draw PPP Loans, SBA will pay Lenders fees for processing those loans in the following amounts:

- Fifty (50) percent or \$2,500, whichever is less, for loans of not more than \$50,000;
- Five (5) percent for loans of more than \$50,000 and not more than \$350,000; and
- Three (3) percent for loans above \$350,000.

Under 15 U.S.C. § 636(a)(36)(P) and 15 U.S.C. § 636(a)(37)(L), all processing fees are based on the balance of the PPP loan outstanding at the time of full disbursement of the loan.

How can Lenders request payment of PPP processing fees?

When a PPP Lender successfully reports to SBA that a First Draw PPP Loan or Second Draw PPP Loan has been fully disbursed, SBA will initiate the process of paying the PPP processing fee that the PPP Lender is eligible to receive. Lenders will use an SBA Form 1502 (1502 report) to report fully disbursed loans to SBA (the process of which is outlined in this Notice below).

Additionally, in the Lender's Fiscal Transfer Agent (FTA) Lender portal, the Lender must have provided ACH credit information for an account owned by the Lender and must make a one-time confirmation² that all PPP loans for which the Lender will be requesting a processing fee have been fully disbursed on the disbursement dates and in the loan amounts reported.

Upon receipt of a complete set of SBA Form 1502 data, SBA will:

- Except for authorized increases on First Draw PPP Loans, confirm that no previous request has been made for a processing fee on the loan, and no processing fee payment has been made previously by SBA on the loan.
- Confirm that the disbursed amount reported on the 1502 report matches the approval amount in E-Tran.
- Calculate the processing fee owed based on the final fully disbursed amount entered by the Lender.
- Submit the fee calculated by SBA to the Lender using the ACH credit information provided by the Lender.

How do Lenders create an account (i.e., enroll) in the FTA's Lender Portal?

Before Lenders can receive a PPP processing fee or begin monthly loan reporting, they must establish a Lender portal account with the FTA to access the 1502 Dashboard.

Existing SBA Lenders with SBA Form 750 agreements will access the 1502 Dashboard with their current FTA Lender portal account. **Lenders must use separate 1502 reports for PPP**

² Pursuant to SBA Procedural Notice 5000-20076, by submitting a 1502 report on a First Draw PPP Loan or a Second Draw PPP Loan on or after January 13, 2021, any Lender that submitted a 1502 report for a PPP loan before January 13, 2021 agrees to a revision to the one-time confirmation previously made by the Lender.

loans (including both First Draw PPP Loans and Second Draw PPP Loans) and regular 7(a) loans.

PPP Lenders who do not already have an account with the FTA can enroll by sending an email to Enrollment@colsonservices.com that contains the following:

- Name of Institution;
- At least two of the following:
 - E-Tran Main Location ID (CAFS Location ID under which loans were originated);
 - One of SBA's PPP GP loan numbers; and
 - Colson Lender ID (if known);
- Individual user contact information:
 - Name;
 - Email address; and
 - Phone number.

Lender Service Providers: Lender Service Providers (LSPs) providing services for PPP Lenders under a reviewed LSP agreement who do not already have an account with the FTA can enroll by sending an email to Enrollment@colsonservices.com that contains the following:

- Name of LSP;
- LSP CAFS Partner ID;
- Individual user contact information:
 - Name;
 - Email address; and
 - Phone number;

For each bank partner, provide the information below:

- Bank partner's information:
 - Bank name;
 - E-Tran Main Location ID
- One of SBA's PPP GP loan numbers;
- Colson Lender ID (if known);
- Bank Authorizing Official
 - Name;
 - Email address; and
 - Phone number.

Upon receipt of a complete enrollment email, the FTA will send login credentials consisting of a 1502 Dashboard User ID and Access Code. The User ID and Access Code will be sent in separate e-mails.

Once the Lender has successfully logged into its Lender portal account, the Lender must provide the ACH credit information for the account where the Lender wishes to receive PPP processing fees. The ACH credit information must be for an account owned by the Lender. SBA will not make any payments to LSPs.

A Lender portal user guide is available at https://colsonservices.bnymellon.com/_locale-assets/pdf/1502-dashboard-user-guide.pdf. Questions on the enrollment process may be directed to Colson Customer Service at 877-245-6159.

May Lenders or LSPs share login credentials for the FTA Lender Portal?

No. Login credentials for the 1502 Dashboard are issued at the individual user level and may not be shared among users.

How do Lenders report to SBA on loans that are fully disbursed?

Lenders must report First Draw PPP Loans and Second Draw PPP Loans that have been fully disbursed to SBA via SBA Form 1502 (1502 report). Lenders must electronically submit SBA Form 1502 reporting information to the SBA within 10 calendar days after disbursement of a PPP loan.³ Thereafter, Lenders must submit PPP loan information to SBA on a monthly basis.

SBA Form 1502 is a spreadsheet containing identifying information for each PPP loan. An SBA Form 1502 spreadsheet is available at https://colsonservices.bnymellon.com/_locale-assets/xls/sba-form-1502-blank-template.xlsx.

Lenders may submit the 1502 report to SBA using any of the following methods:

- Email the 1502 spreadsheet to 1502@colsonservices.com;
- Upload the 1502 spreadsheet (“e-File”) in 1502 Dashboard; or
- Deliver the 1502 spreadsheet via Secure File Transfer Protocol (SFTP) – Requires additional enrollment. Lenders should email SFTPassess@colsonservices.com for additional instructions.

Lenders may batch multiple PPP loans in a single 1502 report, or Lenders may complete a 1502 report on an individual PPP loan basis. There is no limit on how frequently Lenders can submit 1502 reports.

Important: Lenders must use separate 1502 reports for PPP loans (including both First Draw PPP Loans and Second Draw PPP Loans) and regular 7(a) loans.

After receiving the 1502 report, the FTA will notify the Lender of any errors through 1502 Dashboard exception reporting. Lenders should monitor the 1502 Dashboard daily. The Lender will have until 5:00 p.m. Eastern on the second business day after submitting the 1502 report to correct any errors within the 1502 Dashboard. On the third business day after receiving the 1502 report, and provided that the ACH information and one-time lender confirmation have been entered, SBA will initiate the process for payment of the processing fee to the Lender.

How do Lenders report a PPP loan as fully disbursed on the 1502 report?

Lenders must submit a complete and accurate 1502 report. Each of the fields on the 1502 report is described below:

³ If the tenth calendar day is a Saturday, Sunday, or legal holiday, the period continues to run until the end of the next business day.

- **SBA GP Number:** The 10 digit numerical SBA assigned loan identification number. The GP number is the key to identifying Paycheck Protection Program (PPP) loans on the SBA's and the FTA's databases. If less than 10 digits are reported, the disbursement information cannot be processed.
- **Lender Loan Number:** The Lender's loan identification number; that is, the number the Lender has assigned to the loan. This field is optional.
- **Next Installment Due Date:** The date the borrower is scheduled to make its first payment following the Program's automatic deferment period. As a placeholder, this date should be listed as sixteen months from the date of loan disbursement. After SBA remittance of any partial forgiveness payment or SBA notice that no forgiveness is allowed, the deferment period ends and the Lender must update this date to correspond to the first payment due date the Lender provides to the borrower.
- **Status:** Leave blank
- **Amount Disbursed this Period on Total Loan:** The total amount disbursed on the loan. PPP loans must be fully disbursed, and the amount reported in this field must match the loan approval amount in SBA's electronic system.
- **Amount Undisbursed on Total Loan:** PPP loans must be fully disbursed. Enter \$0.00.
- **Interest Rate:** All PPP loans have an interest rate of 1 percent. Enter 1% or leave blank.
- **Guar. Portion Interest:** Enter \$0.00.
- **Guar. Portion Principal:** Enter \$0.00.
- **Total to FTA:** Enter \$0.00. There are no Guar. Portion Payments or SBA ongoing servicing fees on PPP loans.
- **Interest Period From:** Leave Blank.
- **Interest Period To:** Report the date interest accrues from (e.g., one-time, full disbursement date or first disbursement date, if applicable) in this column.
- **# of Days:** Leave Blank.
- **Calendar Basis:** Leave Blank.
- **Guar. Portion Closing Balance:** The balance outstanding after the full disbursement. This amount should be equal to the Amt Disbursed this Period on Total Loan. PPP loans are 100% guaranteed by SBA and must be fully disbursed.
- **Remittance Penalty:** Enter \$0.00. There are no SBA Subsidy Recoupment Fees or Late Penalties for PPP loans.

How do Lenders report authorized loan increases on First Draw PPP Loans on the 1502 report?

Lenders that make authorized increases on First Draw PPP Loans should report those increases on the 1502 report by following the instructions in SBA Procedural Notice 5000-20076, First Draw Paycheck Protection Program Loan Increases After Enactment of the Economic Aid Act, issued on January 13, 2021.

How do Lenders report a PPP loan as cancelled in E-Tran Servicing?

Lenders must request access to E-Tran Servicing in their <https://caweb.sba.gov> account (which is different than the FTA Lender portal account) through the Lender's authorizing official.

From E-Tran Servicing, search for the SBA loan number.

Once the loan number comes up, click on the cancel button at the top of the page. This will cancel the loan and the loan guaranty. Questions on cancellations can be emailed to 7aQuestions@sba.gov.

How do Lenders report a PPP loan as voluntarily terminated and repaid after disbursement on the 1502 report?

From E-Tran Servicing, search for the SBA loan number.

Once the loan number comes up, click on the voluntary termination button at the top of the page. This will terminate the loan guaranty. Questions on voluntary termination can be emailed to: For the Fresno Servicing Center: fsc.servicing@sba.gov; for the Little Rock Servicing Center: lrsc.servicing@sba.gov.⁴

What confirmation must the Lender make before receiving PPP processing fees?

Lenders must make a one-time confirmation in the Lender's FTA Lender portal before SBA will disburse PPP processing fees to Lender. Lenders will confirm the following:

By checking the "I confirm" box below, the Lender is agreeing that for each SBA Form 1502 report submitted by Lender to request payment of First Draw Loan or Second Draw Loan Paycheck Protection Program (PPP) processing fees, Lender confirms that:

- (1) except for any First Draw Loan included in the report that has been or may be increased, (a) all First Draw Loans and Second Draw Loans included in the report were fully disbursed to the borrowers on the disbursement dates entered and in the loan amounts entered in the report, and (b) Lender will make no further disbursements on the First Draw Loans and Second Draw Loans included in the report;
- (2) for any First Draw Loan included in the report that has been or may be increased, (a) Lender approved the increase in accordance with PPP requirements, (b) Lender has fully disbursed the increased amount to the borrower on the disbursement date entered and in the amount entered in the report, and (c) Lender will make no further disbursement on the First Draw Loan;
- (3) all information in the report is true and correct; and
- (4) the report has been submitted by an authorized employee or agent of Lender acting within the scope of Lender's authority and Lender acknowledges responsibility for all entries and certifications made on its behalf.

⁴ The geographic coverage of the Fresno Servicing Center is SBA Regions 5, 6 (except for Arkansas, Oklahoma and Texas) 7, 8, 9, and 10. The geographic coverage of the Little Rock Servicing Center is SBA Regions 1, 2, 3, 4, and 6 (except New Mexico and Louisiana).

When won't a Lender receive a processing fee?

A Lender will not receive a processing fee:

- Prior to full disbursement of the PPP loan; or
- If the PPP loan is cancelled before disbursement; or
- If the PPP loan is cancelled or voluntarily terminated and repaid after disbursement (including if a borrower repays the PPP loan proceeds to conform to the borrower's certification regarding the necessity of the PPP loan request).⁵

How will SBA disburse the processing fee to Lenders?

SBA will make PPP processing fee payments to Lenders using the Demand Deposit Account ACH information supplied by Lenders on the FTA's website. SBA will make a payment for each loan on an individual basis so that Lenders will be able to match the received payment with the corresponding loan. Each disbursement will be made by ACH CCD+, and the addenda record will use the structured layout that is available in the Downloads section of the FTA's website. This structured layout includes payment details that Lenders can use for automating the posting of these payments to the Lender's record system. For Lenders unable to automate the posting of these payments, the record layout should be referenced to determine what the payment is for when posting the payment manually.

Will SBA review the payment of Lender processing fees?

SBA may review the payment of Lender processing fees at the time of forgiveness purchase or at any other time SBA deems appropriate. If SBA determines the fee was paid erroneously or in the incorrect amount, Lender is responsible for repaying the fee to SBA.

Are Lender processing fees subject to claw back if a Lender has not fulfilled its obligations under PPP regulations?

A lender is required to repay the processing fee to SBA if a lender is found guilty of an act of fraud in connection with the PPP loan. In such case, the PPP loan is not eligible for a guaranty.

Is a Lender responsible for the actions of its Lender Service Provider (LSP)?

If the Lender authorizes an Agent or Lender Service Provider (as those terms are defined in [13 CFR § 103.1](#)) to submit any information or make any entries or certifications on the Lender's behalf for any purpose through the 1502 Dashboard or through any other method of 1502 reporting, the Lender acknowledges that the Agent or LSP is acting within the scope of Lender's authority and Lender acknowledges responsibility for all information submitted and entries and certifications made on its behalf.

⁵ If the Lender has received a processing fee on a loan that was cancelled or voluntarily terminated and repaid after disbursement (including if a borrower repaid the PPP loan proceeds to conform to the borrower's certification regarding the necessity of the PPP loan request), SBA will not require the Lender to repay the processing fee unless the Lender is found guilty of an act of fraud in connection with the PPP loan.

When a loan is sold, which Lender is responsible for 1502 reporting to SBA?

When a PPP Lender sells all of its interest in a PPP loan to another participating Lender, in bulk or individually, SBA will send the processing fee to the originating PPP Lender.⁶ The Lender making the disbursement is responsible for completing and submitting the initial 1502 report on loan disbursement. The purchasing Lender will be the party responsible to SBA with respect to all servicing actions, including monthly 1502 reporting and requests for loan forgiveness, and will be the party eligible for the guaranty purchase of a PPP loan.

What are the ongoing reporting requirements for PPP loans?

Lenders must electronically submit SBA Form 1502 reporting information to the SBA within 10 calendar days after disbursement of a PPP loan. After submitting the initial SBA Form 1502 report, Lenders must submit PPP loan information to SBA on a monthly basis.

Lenders must provide monthly 1502 reports that include loan status information for their PPP loans regardless of whether the borrower made a payment in the current month. (All PPP loans are deferred.)⁷ Lenders must continue reporting on a loan until the Lender notifies SBA that the loan has been paid in full.

After a Lender reports a loan as fully disbursed, the Lender must submit monthly PPP 1502 reports on or before the 15th of each month, or if the 15th is not a business day, on the next business day after the 15th. Lenders must continue to use separate 1502 reports for PPP loans (including both First Draw PPP Loans and Second Draw PPP Loans) and regular 7(a) loans. The regular 7(a) loan 1502 report and payment due dates for calendar year 2021 remain unchanged, as published in SBA Information Notice 5000-20066 issued December 4, 2020.

After a Lender receives a PPP forgiveness remittance from SBA, if no loan balance remains, the Lender must report the PPP loan as paid in full on the next SBA Form 1502 report. If a loan balance remains after a Lender receives a PPP forgiveness remittance from SBA, the Lender must report the reduction in the loan balance for the forgiveness amount on the next SBA Form 1502 report and must service the remaining balance of the loan in accordance with PPP requirements. The Lender must wait to receive the PPP forgiveness remittance from SBA before submitting a 1502 report showing the PPP loan as paid in full or a balance reduction due to forgiveness. Premature 1502 reporting of forgiveness will cause the Lender's forgiveness remittance from SBA, if any, to fail validation.

Note: A PPP loan should not be reported as "paid in full" simply because it has been transferred to another Lender.

⁶ As discussed in [SBA Procedural Notice 5000-20076](#), processing fees on authorized loan increases will be paid to the originating PPP Lender.

⁷ The deferment period runs until (i) the date that SBA remits the forgiveness amount (or notifies the Lender that the borrower is not eligible for forgiveness) or (ii) for a borrower that does not submit a timely forgiveness application, 10 months after the end of the loan forgiveness covered period.

How do Lenders report a change in the maturity of a PPP loan?

For PPP loans made before June 5, 2020, the maturity is two years; however, borrowers and Lenders may mutually agree to extend the maturity of such loans to five years. Lenders must report any such change in the maturity of a PPP loan through E-Tran Servicing.

Questions

Questions concerning this Notice may be directed to the Lender Relations Specialist in the [local SBA Field Office](#).

Dianna L. Seaborn
Director
Office of Financial Assistance

Exhibit O

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Attorneys for Defendants
XLD CENTURY LLC; XLD GROUP LLC

UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

United States ex rel. GNGH2 Inc.,	)	Case No.: 2-22-cv-05514-SB (PVCx)
)	
Plaintiff,	)	DEFENDANTS' OBJECTIONS AND
	)	RESPONSES TO PLAINTIFF-
vs.	)	RELATOR'S FIRST SET OF
	)	REQUESTS FOR ADMISSION
XLD CENTURY LLC and XLD)	
GROUP LLC,)	
Defendants.)	

Defendants XLD CENTURY LLC; XLD GROUP LLC (collectively "Defendants")
hereby object and respond to Plaintiff-Relator GNGH2 Inc. ("Relator")'s First Set of
Requests for Admission ("RFA") as follows:

PRELIMINARY STATEMENT/GENERAL OBJECTIONS

The following Preliminary Statement/General Objections apply to and are
expressly made part of Plaintiff's specific response to each RFA.

1. Defendants generally object to these RFAs, and to every definition and
instruction therein, to the extent that they seek to impose burdens greater than those
imposed by the Federal Rules of Civil Procedure, as reasonably interpreted and

1 supplemented by local court rules.

2 2. Defendants generally object to these RFAs, and the definitions and instructions
3 therein, to the extent that they call for the disclosure of any document or
4 communication that is privileged, was prepared in anticipation of litigation or for trial,
5 and/or otherwise constitutes attorney work product or is immune from discovery.
6 Inadvertent identification or production of any such document or communication
7 shall not constitute a waiver of any privilege or protection with respect to the subject
8 matter thereof or the information contained therein, and shall not waive the right of
9 Plaintiff to object to the use of any such document or communication (or the
10 information contained therein) during this or any subsequent proceeding.

11 3. By making the accompanying responses and objections to Relator's RFAs,
12 Defendants do not waive, and hereby expressly reserves, their right to assert any and
13 all objections as to the admissibility of such responses into evidence in this action, or
14 in any other proceedings, on any and all grounds including, but not limited to,
15 competency, relevancy, materiality, and privilege. Further, Defendants make the
16 responses and objections herein without in any way implying that they consider
17 interrogatories and responses to be relevant or material to the subject matter
18 of this action.

19 4. Defendants expressly reserve the right to supplement, clarify, revise, or correct
20 any or all of the responses and objections herein, and to assert additional objections
21 or privileges, in one or more subsequent supplemental response(s).

22 5. All responses are based on Defendants' current knowledge and reasonable
23 belief, and Defendants reserve the right to amend or supplement these Objections
24 and Responses.

25 SPECIFIC OBJECTIONS AND RESPONSES

26 RFA NO. 1

27 *See* General Objections. Further, Defendants object to this RFA to the extent
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1 that the request is vague as to whom the document is distributed. Subject to and
2 without waiving these objections, Defendants answer as follows: Defendants lack
3 sufficient knowledge to admit or deny this RFA since the document was not
4 distributed to Defendants.

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6 RFA NO. 2

7 *See* General Objections. Further, Defendants object to this RFA to the extent
8 that the request is vague as to whom the document is distributed. Subject to and
9 without waiving these objections, Defendants answer as follows: Defendants lack
10 sufficient knowledge to admit or deny this RFA since the document was not
11 distributed to Defendants.

12
13 RFA NO. 3

14 *See* General Objections. Subject to and without waiving these objections,
15 Defendants answer as follows: Defendants lack sufficient knowledge to admit or deny
16 this RFA since Defendants are not SBA or lenders.

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18 RFA NO. 4

19 *See* General Objections. Subject to and without waiving these objections,
20 Defendants answer as follows: Defendants lack sufficient knowledge to admit or deny
21 this RFA since Defendants are not SBA or lenders.

22
23 RFA NO. 5

24 *See* General Objections. Further, RFA is compound. Subject to and without
25 waiving these objections, Defendants answer as follows: Admit that SBA paid each
26 Defendant two million dollars under the PPP program.

27
28 RFA NO. 6

See General Objections. Further, RFA is not complete in and of itself; Calls for

1 speculation on the part of Defendants; Vague and ambiguous. Subject to and without
2 waiving these objections, Defendants answer as follows: Admit that Defendants
3 applied for and received the PPP loan.

4
5 RFA NO. 7

6 *See* General Objections. Further, compound, disjunctive and conjunctive.
7 Subject to and without waiving these objections, Defendants answer as follows:
8 Defendants lack sufficient knowledge to admit or deny this RFA since the signed
9 forms cannot be found despite Defendants' effort to locate the signed forms, and
10 there is no recollection of specifically signing the forms.

11
12 RFA NO. 8

13 *See* General Objections. Further, compound, disjunctive and conjunctive.
14 Subject to and without waiving these objections, Defendants answer as follows:
15 Admit.

16
17 RFA NO. 9

18 *See* General Objections. Further, compound, disjunctive and conjunctive.
19 Subject to and without waiving these objections, Defendants answer as follows:
20 Admit.

21
22 RFA NO. 10

23 *See* General Objections. Further, compound; Vague and ambiguous. Subject to
24 and without waiving these objections, Defendants answer as follows: Defendants lack
25 sufficient knowledge to admit or deny this RFA since the signed forms cannot be
26 found despite Defendants' effort to locate the signed forms, and there is no
27 recollection of specifically signing the forms.
28

1 RFA NO. 11

2 *See* General Objections. Further, compound; vague and ambiguous; calls for
3 speculation on the part of Defendants; Vague and ambiguous. Subject to and without
4 waiving these objections, Defendants answer as follows: Defendants lack sufficient
5 knowledge to admit or deny this RFA since the signed forms cannot be found despite
6 Defendants' effort to locate the signed forms, and there is no recollection of
7 specifically signing the forms.

8
9 RFA NO. 12

10 *See* General Objections. Further, compound, vague and ambiguous. Subject to
11 and without waiving these objections, Defendants answer as follows: Admit that
12 Defendants initialed the applicable boxes prior to receiving the PPP relief funds.

13
14 RFA NO. 13


15 *See* General Objections. Further, vague and ambiguous; calls for speculation on
16 the part of Defendants. Subject to and without waiving these objections, Defendants
17 answer as follows: Admit that Defendants initialed the applicable boxes prior to
18 receiving the PPP relief funds.

19
20 RFA NO. 14

21 *See* General Objections. Further, vague and ambiguous; calls for speculation on
22 the part of Defendants. Subject to and without waiving these objections, Defendants
23 answer as follows: Admit that Defendants initialed the applicable boxes prior to
24 receiving the PPP relief funds.

25 Dated: December 18, 2023

MOON & DORSETT, PC

26 By: 
27 Dana Moon Esq.
28 Attorneys for Defendants

VERIFICATION

I, Jiaqi Zhang, CFO of Defendants, believes, based on reasonable inquiry, that the foregoing answers are true and correct to the best of my knowledge, information and belief. I verify under penalty of perjury that the foregoing is true and correct.

Executed in Los Angeles, California, on ~~December~~ 18, 2023,



Jiaqi Zhang